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FBIS-EEU-90-234 CONTENTS *5 December 1990*

NOTICE TO READERS: * indicates material not disseminated in electronic form.

BULGARIA

- Ginyo Ganev Reportedly Will Be Prime Minister 1
  - Political Consultations Continue *[BTA]* 1
  - Pirinski, Simeonov: Progress in Talks *[Sofia Radio]* 1
  - Ludzhev Comments on Talks *[BTA]* 1
- Trenchev: Beron Was 'Thought Police' Informer *[BTA]* 1
  - Anonymous MP Confirms Charges *[BTA]* 2
  - SDS To Demand Official Data *[BTA]* 2
- Assembly To Ask Interior Ministry for MP Files *[BTA]* 2
  - Ministry Will Surrender Files *[BTA]* 3
- Former Leaders Investigated for 'Mismanagement' *[BTA]* 3
- BSP News Conference on Leadership, Property *[BTA]* 4
- Lilov Addresses Socialists, Supporters on TV *[Sofia Radio]* 4
- Razgrad Republic Becomes Free Cities Association *[DUMA 1 Dec]* 4
- Serious Pollution From Uranium Mining Revealed *[BTA]* 5
- Zhelev Receives U.S. Attorney General Thornburgh *[BTA]* 5
- Tomov Meetings During Washington Visit Noted *[DUMA 2 Dec]* 5
- EC Grants Nation Third World Trading Status *[BTA]* 5

CZECHOSLOVAKIA

- Havel Comments on First Round of Elections *[Prague Radio]* 6
- Cibula Assesses Local Election Statistics *[NARODNA OBODA 28 Nov]* 7
- Czech Republic Reviews Local Election Results *[HOSPODARSKE NOVINY 28 Nov]* 8
- VPN Expresses Satisfaction Over Election Figures *[VEREJNOST 27 Nov]* 9
- Movements React to Developments Within CPSL *[Bratislava PRAVDA 29 Nov]* 9
- Commentary Reacts to Pithart Criticism of Meciar *[Fule in NARODNA OBRODA 27 Nov]* 9
- Dlouhy Warns of 'Political, Personal Ambitions' *[Prague TV]* 10
- Finance Minister Klaus Supports Dlouhy Remarks *[Prague Radio]* 10
- Meciar Finds Dlouhy's Remarks 'Unfortunate' *[Bratislava Radio]* 11
- Slovak Paper Questions Dlouhy's Competence *[Cibula in NARODNA OBRODA 30 Nov]* 12
- Havel Decides To Intervene in Libel Case *[CTK]* 13
- Union Official Forecasts Action on Assembly Vote *[Prague Radio]* 13
- Federal Assemby Approves Employment Draft Bill *[Bratislava Radio]* 13
- Bank Chairman Discusses Convertible Currency Law *[Prague Radio]* 13
- Federal Assembly Adopts Convertible Currency Bill *[HOSPODARSKE NOVINY 29 Nov]* 14
- Klaus Comments on 1991 State Budget *[ZEMEDELSKE NOVINY 1 Dec]* 15
- Hoffmann on Economic Changes, Society's Anxieties *[VEREJNOST 26 Nov]* 15
- Prague Spring Leading Figure Interviewed *[CTK]* 16
- Pacifists Hold General Assembly, Adopt Program *[HOSPODARSKE NOVINY 3 Dec]* 17
- Meciar News Conference on Federal-Slovak Ties *[Bratislava Radio]* 17
- Former Federal Minister Discusses KGB Agreement *[Prague TV]* 18
- Havel Receives Message From WWII Soldiers *[CTK]* 20
- Havel Tours E. Slovakia on Working Visit 20
  - Answers Questions in Bratislava *[Bratislava Radio]* 20
  - Sums Up Impressions From Trip *[VEREJNOST 30 Nov]* 22
- CTK Reports Diverse U.S. Economic Aid 22
- Calfa Interviewed *[Prague TV]* 23
- Foreign Ministry Official on Maghreb Relations *[CTK]* 24
- Prime Minister Calfa Visits N. Africa *[cross-reference]* 25
- Calfa Discusses Trip to Germany *[Prague TV]* 25

Czech Government Rejects Sudeten Property Calls *[Berlin ADN]* 27
Slovakia Interested in Common State With Czechs *[CTK]* 27
Rift in SNS Described; Moric Criticized *[Fule in NARODNA OBRODA 29 Nov]* 27
Meciar Claims Separatism, Pragocentrism Damaging *[VEREJNOST 30 Nov]* 28
Slovak Government Discusses Budget, Other Issues *[NARODNA OBRODA 26 Nov]* 28
Government Approves Amended 1991 Budget Bill *[Bratislava Radio]* 29
Slovakian Youth Leader Discusses New Group *[Bratislava Radio]* 29
Pittner on Security Situation, 'Black Sheriffs' *[Bratislava PRAVDA 26 Nov]* 30
Meciar on Austria Visit, Nuclear Power Plants *[NARODNA OBRODA 28 Nov]* 31

HUNGARY

National Assembly Meets, Antall To Speak *[MTI]* 32
    Antall Views Economy, 1991 Budget *[Budapest Radio]* 32
MTI Reports Romanian National Day Celebrations 38
Parliamentary Speaker Sends Telegram to Bucharest *[MTI]* 38
Demonstration Held in Front of Romanian Embassy *[NEPSZABADSAG 3 Dec]* 38

POLAND

More Groups Declare Support for Walesa *[Warsaw TV]* 39
Walesa Outlines Future Plans for Army *[Warsaw Radio]* 39
Tyminski Holds News Conference on Walesa *[PAP]* 39
Election Rally Attendees Prevent Tyminski Address *[PAP]* 39
Daily Portrays Tyminski, Criticizes Staff *[TYGODNIK GDANSKI 25 Nov]* 40
Lukasiewicz Assesses Post-Election Situation *[RZECZPOSPOLITA 28 Nov]* 41
Michnik Reviews Government's Difficult Mission *[GAZETA WYBORCZA 29 Nov]* 42
Court Suspends Solidarity 80 Registration *[Warsaw Radio]* 43
U.S. Defense Secretary Cheney Pays Visit 4 Dec 43
    Discusses Security With Kolodziejczyk *[PAP]* 43
    Views Gulf Conflict With Mazowiecki *[PAP]* 43
    Starts Arms Talks With Kolodziejczyk *[Warsaw TV]* 43
    Examines Disarmament With Kolodziejczyk *[PAP]* 43
Official Interviewed on Soviet Army Withdrawal *[ZYCIE WARSZAWY 30 Nov]* 44
Skubiszewski Comments on London NATO Session *[Warsaw Radio]* 45
Reportage on Skubiszewski Visit to London *[cross-reference]* 45
Official Lists Ways To Solve Romanian 'Problem' *[Warsaw TV]* 45

ROMANIA

EBRD President Attali Continues Official Visit 46
    Meets Privatization Officials *[ROMPRES]* 46
    Confers With Iliescu, Roman, Others *[ROMPRES]* 46
    Views Helping Privatization Process *[ROMPRES]* 46
Austrian Parliamentarians on Fact-Finding Mission *[Vienna Radio]* 47
    No Evidence of Political Persecution *[Vienna AZ 4 Dec]* 47
Prime Minister Discusses Visit to Germany *[NEPSZABADSAG 29 Nov]* 48
Roman's Remarks on Moldovan Sovereignty Explained *[Bucharest Radio]* 48
UDMR Leader Grants Interview to ADEVARUL *[ROMPRES]* 48
Senate Examines Unfair Competition Economic Bills *[ROMPRES]* 49
Government Spokesman Views Economy's Evolution *[ROMPRES]* 49
    Refutes BBC Allegations About Roman *[ROMPRES]* 49
Assembly Examines Interior Ministry's Status *[ROMPRES]* 50
Roman Comments on 'Earnest and Fast' Privatization *[ROMPRES]* 50
Trade Official on Effect of Price Liberalization *[AZI 15 Nov]* 50
FSN Expert Dumitru on Market Economy Issues *[ROMRPES]* 52
Roman Delivers Message on Miners' Day *[ROMPRES]* 52
Iliescu Receives Human Rights League Delegation *[ROMPRES]* 52
SRI Said Trying To Annihilate Opposition *[ROMANIA LIBERA 30 Nov]* 53
Magureanu's Intelligence Report Termed 'Cunning' *[ROMANIA LIBERA 30 Nov]* 53
* Foreign Minister on Individual, Society *[AZI 17 Oct]* 53

* Communique of Brasov '15 November' Association *[ROMANIA LIBERA 16 Nov]* 56
Professor Rugina Addresses Senate on Economy *[ROMPRES]* 56
Army Refutes 'Malignant' CADA, Press Attacks *[ADEVARUL 29 Nov]* 57
General's Threat To Fire at People Criticized *[ROMANIA LIBERA 1 Dec]* 57

YUGOSLAVIA

Serbia's Milosevic in Kragujevac Speaks on Reform *[POLITIKA 28-30 Nov]* 58
Serbian Presidential Candidates Listed; 32 Named *[BORBA 1-2 Dec]* 62
Serb Candidate Draskovic Makes Election Broadcast *[Belgrade Radio]* 63
Jokic Denies Exercises Planned During Serb Vote *[TANJUG]* 63
Serbian Committee Calls for 'Election Silence' *[TANJUG]* 63
Kosovar Official Says Kosovo is European Problem *[Frankfurt/Main FRANKFURTER RUNDSCHAU 5 Dec]* 63
Meeting of Montenegrin Reform Alliance Disrupted *[Belgrade Radio]* 64
  Markovic Addresses Meeting *[TANJUG]* 65
Preliminary Bosnian Elections Results Released *[TANJUG]* 65
Social Democratic Union of Slovenia Established *[TANJUG]* 65
Slovene, Croat Officials on 'Coordinated' Views *[Ljubljana Radio]* 66
Croatian TU Attacks Government, Announces Strike *[TANJUG]* 66
Croat Presidency Says Army Overstepped Bounds 67
  Denounces Kadijevic Remarks *[TANJUG]* 67
  Calls for Kadijevic's Replacement *[TANJUG]* 67
Papers Reaction to Kadijevic's Interview Noted *[TANJUG]* 67
Markovic Holds News Conference on Reform Process *[TANJUG]* 68
Jovic Speaks on Importance of Foreign Investment *[Belgrade Radio]* 69
Markovic Urges Passage of Constitution Amendments *[TANJUG]* 70
Inflation Slows; Projections Said Unfulfilled *[TANJUG]* 70
Secretariat Denies Albanian Party Registration *[TANJUG]* 70
Loncar Lauds Bush Initiative, Iraqi Response *[TANJUG]* 70
  Stresses Nonaligned Role *[TANJUG]* 71
Reportage on Prime Minister's Visit to Sweden *[cross-reference]* 71

Ginyo Ganev Reportedly Will Be Prime Minister

Political Consultations Continue

AU0512110790 Sofia BTA in English 1053 GMT 5 Dec 90

[Text] Sofia, 5 Dec (BTA)—Ginyo Ganev, the 62-year old non-party member jurist will be Bulgaria's new prime minister, a participant in the political forces consultations said today.

The participant, who wished to remain anonymous had said, according to announcement broadcast on Bulgarian Radio, that Mr. Ganev had received most of the votes of the participants in the consultations.

Pirinski, Simeonov: Progress in Talks

AU0412214490 Sofia Domestic Service in Bulgarian 2100 GMT 4 Dec 90

[Text] There is some progress at the consultations between the political forces—this was the opinion expressed to a BTA reporter by Mr. Georgi Pirinski and Mr. Petko Simeonov, who are taking part in the negotiations.

The agreement covers three groups of issues: general political issues; property, responsibility, civil peace, and nonpersecution for political reasons; and the forthcoming work of parliament and the future government.

Mr. Simeonov says that no decision had yet been reached on the formula for the future government, but whichever team may be chosen, the elections—first municipal, and then parliamentary—will be held soon, probably next April or May. Names for the new government leader are already being mentioned, and we share the common view that the prime minister should be an independent, which is the main demand of the Bulgarian Socialist Party, Petko Simeonov added. We hope that the name of the prime minister will be known before Thursday [6 December], he said.

Mr. Pirinski was also optimistic. After the present incomplete phase of our talks has ended, he said, I feel that tomorrow we will succeed in reaching an agreement.

Ludzhev Comments on Talks

AU0412112490 Sofia BTA in English 1015 GMT 4 Dec 90

[Excerpt] Sofia, 4 Dec (BTA)—According to Mr. Dimitur Ludzhev, vice president of the parliamentary Union of Democratic Forces (SDS), an opportunity starts to come up for a cabinet with more limited mandate: To enforce the laws the parliament will pass, to prepare the elections and restructure the state apparatus. "DEMOKRATSIYA" quotes Mr. Ludzhev in a report on the negotiations which the political forces held yesterday on a draft agreement. Mr. Ludzhev made it clear that yesterday they did not discuss who will be the members of the future cabinet. They discussed the points of the deal concerning the political guarantees: The responsibility for the crisis, the property of the BSP [Bulgarian Socialist Party], the archives, and the guarantees that no one will be persecuted for his political convictions.

In an article in "DEMOKRATSIYA" Mr. Georgi Spasov, M.P. from the opposition also points out that the political forces will most probably agree on the formation of a caretaker government that within a couple of months will hold local elections and will arrange new parliamentary elections. "Although this is the most realistic possibility, we shouldn't ignore the fact that it is the most dangerous one, too, because hunger and cold might blow up our society which is already severely polarized", says Mr. Georgi Spasov.

In a analysis for the same daily the journalist from Radio Free Europe Mr. Vladimir Kostov says: "I don't expect these consultations to produce the necessary radical solution, that is, the removal of the communist party, administrative and economic apparatus from the government of the country totally and without any compromise".

More than 100,000 workers support the decision of the independent trade unions' leadership to take industrial action, says an announcement of the trade unions strike committee published in "TRUD". Yesterday 1,000 trade union members were on effective strike, 19,000 on token strike, and about 28,000 supported the trade unions and declared effective strike readiness. Dissatisfied with their working conditions, 500 members of Sofia Airport ground crews are preparing to resume their effective strike, reports the trade unions' daily.

"Krustyo Petkov denied support": Under this headline the "DUMA" daily carries dispatches from around the country about workforces refusing to support the trade unions appeal for effective strike till the political forces reach an agreement is reached and calling for the resignation of the trade unions leader Prof. Krustyu Petkov. [passage omitted]

Trenchev: Beron Was 'Thought Police' Informer

AU0412150490 Sofia BTA in English 1450 GMT 4 Dec 90

[Text] Sofia, 4 Oct (BTA)—The outgoing leader of the Union of Democratic Forces, Mr. Petur Beron MP, has been an informer of the former Sixth Department of State Security—the "thought police" of the totalitarian regime, according to Dr. Konstantin Trenchev, president of the Podkrepa Labour Confederation.

Rumours about Mr. Beron having been recruited as a police "informer" in the late 60's surfaced about a month ago.

Representatives of the parliamentary faction of the BSP [Bulgarian Socialist Party] declined to comment on these allegations at a press conference held here today. Mr.

Dimitur Yonchev MP expressed his disappointment at the "attitude shown towards politicians," which according to him degrades political life in Bulgaria.

His colleague Mr. Filip Bokov expressed his surprise over Mr. Beron's resignation against the background of his recent nomination as prime minister. He described Mr. Beron's interest in scientific work as "somewhat belated after a one-year political career."

Anonymous MP Confirms Charges

AU0412183190 Sofia BTA in English 1757 GMT 4 Dec 90

["Scandal Over Petur Beron Blows Up"—BTA headline]

[Text] Sofia, 4 Dec (BTA)—Mr. Petur Beron, leader of the Union of Democratic Forces, is accused of a long-time collaboration with the Bulgarian Secret Services. This may result in a scandal, similar to the "police files" scandals in other East European countries.

The BTA made this announcement yesterday, quoting an anonymous source.

Today a MP who wished to stay anonymous and who is not affiliated to either of the two major political forces confirmed the accusations in front of a BTA reporter. He said he had only secondary evidence and could not tell when Mr. Beron was first recruited by the Secret Services.

Mr. Beron worked for the intelligence and counter intelligence, added the deputy. Department 6, responsible for the intelligentsia, was set up later. But the departments of the Bulgarian Secret Services are so interlocked that it is impossible to work for the intelligence without supplying information to other departments as well, the deputy said in answer to the question whether the files discrediting Mr. Beron are "fatal".

Even in the past Mr. Beron's frequent tours abroad (he is a biologist and took part in many expeditions and worked in a reserve in Nigeria) had always roused suspicions that perhaps he did not decline to collaborate with the Secret Services in order to be able to travel abroad. Such a practice was not uncommon and it is difficult to say now who and in what way managed to outwit the communist system.

The deputy with whom the BTA reporter spoke maintains that many opposition members were formerly connected with the Secret Services. Some of them wisely withdrew from active politics in time but others are continuing to set the pace of the opposition.

It is not difficult to prove that some people have been implanted in the opposition, the deputy said. According to him the Security Services pull the strings.

As proof of this the deputy cites statements by some opposition leaders which made the UDF [Union of Democratic Forces] lose strategic and tactical positions. These people, however, are gradually revealed and have to be replaced. Such is Mr. Beron's case, the deputy said. At the moment he is a political nonentity for both UDF and BSP [Bulgarian Socialist Party].

According to the source quoted above the new head of the opposition will survive no longer than a year either. The reasons are the same as with Mr. Beron: even if the new opposition leader himself is not connected with the Secret Services, he is sure to be surrounded by people who are.

Despite all this there are really honest people in the opposition, the deputy said in answer to the question whether the file scandal can seriously hurt the opposition.

SDS To Demand Official Data

AU0412221490 Sofia BTA in English 2119 GMT 4 Dec 90

[Text] Mr. Petko Simeonov, deputy chairman of the UDF [Union of Democratic Forces—SDS], told a BTA reporter that the union will demand official data in connection with the rumours about materials discrediting the leader of the opposition Mr. Petur Beron. Mr. Simeonov recalled that Mr. Beron's resignation had already been discussed by the opposition not because of suspicions but because he lacked a talent for organization.

Mr. Simeonov pointed out the fact that almost all members of the opposition were at one time or another reported to be police informers. I was not spared either, he said smiling.

Such rumours were spread before the elections and at other important political moments. It is rumoured that six per cent of the Bulgarian citizens have been informers. But even if this is exaggerated, many are inclined to believe that the State Security organized its activities on a large scale.

Mr. Petko Simeonov said: The totalitarian system sought to make everyone a sinner but the moral guilt of a harassed man who has signed a declaration for collaboration with the secret services cannot be compared with the guilt of those who became informers of their own free will.

The files of the politicians, of the MP's, should be opened, but those of the ordinary citizens should be destroyed, Mr. Simeonov said.

Assembly To Ask Interior Ministry for MP Files

AU0412221590 Sofia BTA in English 2031 GMT 4 Dec 90

[Text] Sofia, 4 Dec (BTA)—It has been suggested to us that if we do our work the parliament will have to be dissolved, Mr. Georgi Tambuev, chairman of the parliamentary commission inquiring into the files of the members of parliament, said.

The leadership of the Inquiry Commission has proposed to the Grand National Assembly to oblige the Ministry of the Interior to present the Inquiry Commission with all data about its regular and part-time employees who are now members of parliament.

We are in search of the truth, irrespective of whom it may concern and of the political colour of the people who may dislike it, Mr. Tambuev told a BTA reporter. He is a MP from the BSP [Bulgarian Socialist Party], a journalist prosecuted by the former regime for his publications. According to him there is no discord within the Inquiry Commission but it is coming across difficulties and obstacles of various origin.

The commission resembles a buffer between the desire of the public to learn which deputies have been informers of the secret services and the unwillingness of the Ministry of the Interior to reveal some of its agents.

The current laws do not make it possible to open the files. The Ministry of the Interior maintains that it is not necessary to reveal its agents. But the Inquiry Commission is of the opinion that the public should learn the names of the informers who have contributed to the consolidation and the existence of the totalitarian system which we are now trying to dismantle, Mr. Tambuev said. "We should read this chapter of the past too."

The Inquiry Commission has made a proposal to the Legislative Commission to motion the amending of the laws which impede the work on opening of the files of the deputies, but the latter has shown no understanding.

Mr. Tambuev declined to express an opinion on the rumours about the leader of the UDF [Union of Democratic Forces] Mr. Petur Beron, saying that he had no facts. But he had with him a clip from the "DUMA" daily with a reader's letter accusing Mr. Petur Beron of collaboration with the secret services.

Ministry Will Surrender Files

AU0512085690 Sofia BTA in English 0834 GMT 5 Dec 90

[Text] Sofia, 5 Dec (BTA)—In a seven-day period the Ministry of Interior will give the Board of the Parliamentary Files Commission all data about the MP's who have been voluntary collaborators to 6th Department of the State Security Services, the Bulgarian parliament resolved late last night. The minister of interior should guarantee the authenticity and thoroughness of the presented files.

The files commission will then have another seven days to offer parliament rules for "work on these papers".

The Sixth Department of the State Security Services dealt with "political police methods" a MP said.

The Sixth Department used to spy on intellectuals, on people working in the sphere of education and health care and in the Bulgarian Academy of Sciences. There were special divisions which dealt with religion, the Turkish minority, emigration, politicians from the pre-socialist period, political prisoners. The most secret division in this department spied on the BSP [Bulgarian Socialist Party] members. This department used to spy on foreign students in Bulgaria, too. It is on this very division that the officers of the Ministry of Interior focused the attention of the people who are curious to find out about the activities of Sixth Department. This information was given by MP Georgi Tambuev yesterday.

An MP from the opposition wished that the activities of all Security Services be considered. The arguments he gave were that there are forces which can still manipulate political life.

There is a State Security officer who is sitting in this parliament, an MP said. Another MP wondered if the BSP activists who were working everywhere had not been informers, too.

Former Leaders Investigated for 'Mismanagement'

AU0512112890 Sofia BTA in English 1038 GMT 5 Dec 90

[Text] Sofia, 5 Dec (BTA)—The Criminal Investigation Department has instituted proceedings against members of the all powerful communist leadership former members charged with concluding millions of dollars' worth of unprofitable deals.

Mr. Ognyan Doynov, BCP [Bulgarian Communist Party] Politburo member in charge of the economy under Zhivkov, and Mr. Toncho Chakurov, former BCP Central Committee member and minister of metallurgy, face charges of "mismanagement" which cost Bulgaria more than 10 million dollars. Mr. Doynov is also accused of "negotiating unprofitable deals with U.S. companies", such as the import of floppy disk drives worth 3 million dollars, which are still unused. Mr. Doynov is abroad at the moment. Till last year he was Bulgaria's ambassador to Norway and is rumored to own a company abroad under the patronage of Mr. Robert Maxwell.

Mr. Emil Khristov, BCP Central Committee secretary till 1989 and Mr. Georgi Pankov, Bulgarian ambassador in Moscow, approved deals with Italian and Austrian companies worth 18 million leva, including a factory which never worked.

Mr. Georgi Yordanov, former minister of culture, is responsible for squandering 200,000 leva on an art gallery that was never built in Pravets, Mr. Zhivkov's home village.

A number of other former communist functionaries are charged with corruption, embezzlement, personal gain and abuse of power.

BSP News Conference on Leadership, Property

AU0412170990 Sofia BTA in English 1638 GMT 4 Dec 90

[Text] Sofia, 4 Dec (BTA)—The resignation of Mr. Andrey Lukanov, the prime minister of the one-party cabinet of the BSP [Bulgarian Socialist Party], has not had an abrupt negative influence on the Socialist Party, Mr. Dimitur Yonchev, BSP spokesman, said at a press conference held here today. But he could not provide accurate data about the number of BSP members who had renewed their membership in this party during the re-registration campaign extended for an unspecified period after the preliminarily set deadline of November 30. This problem has remained beyond the field of vision of the party leadership due to the dynamic events which have taken place in the past few weeks, Mr. Yonchev said.

This was also the reason why the question of a resignation of the leader of the Socialists Mr. Aleksandur Lilov had not been discussed, Mr. Yonchev said. He explained that the party leadership issue is within the competence of the extraordinary congress which the Socialists are to hold after the local elections next spring.

The problem of the government and not of the property of the BSP is the "apple of discord" at the consultations between the political forces, according to the Socialist deputy Mr. Krasimir Premyanov, a participant in the consultations. The representatives of the parliamentary faction of the BSP confirmed the stand of their party that the government should be balanced and that the main political forces should "clearly commit themselves" to a neutral prime minister.

Asked about the revelations in the press about Dobri Dzhurov, former defence minister and member of the leadership of the BCP [Bulgarian Communist Party], having received large sums of money, Mr. Filip Bokov MP recalled the official stand of the BSP that it is for the competent bodies of justice to determine whether these sums were received legally or not. Only then will this question be discussed by the party.

Answering a question about the claim lodged by the Sofia City Council concerning the ownership of buildings of the BSP in the capital Mr. Yonchev said that the party "had asked the state to take over the ownership" of these buildings two weeks before the claim was put in. The BSP is to adopt an overall stand on this issue presently.

The BSP MP's have proposed a draft resolution envisaging the opening of the files of the MP's. This would satisfy one of the demands of the continuing students' strike.

Lilov Addresses Socialists, Supporters on TV

AU0412215790 Sofia Domestic Service in Bulgarian 2100 GMT 4 Dec 90

[Text] There are no grounds for pessimism, declared Aleksandur Lilov, chairman of the Supreme Council of the Bulgarian Socialist Party [BSP], in an address he made on television to all Socialists, sympathizers, and voters for the BSP. There is a place for criticism, increased responsibility, and greater activity and forwardness in the party's actions.

The BSP leader feels that the government's resignation is not a very important event for the party. It is necessary for us to do everything possible to draw lessons from it, said Aleksandur Lilov, but we should not dramatize this event. In the realities which were created, the government did not have at its disposal the conditions for beginning to implement its reform program, while for the BSP, which is renewing itself, power is not an end in itself.

Aleksandur Lilov feels that the talks on forming a national government for a peaceful transition should be conducted constructively, on a mutually acceptable basis, and in the interests of bringing the country out of the crisis as soon as possible.

Under the present conditions, the party's strength and progressiveness are manifested first and foremost in its ability to be a principal factor in the democratization of the country and the implementation of the reforms.

The conclusion is, stressed Aleksandur Lilov, that we must do everything to preserve the BSP as a main, influential, and constructive political force of peaceful transition to democracy.

Razgrad Republic Becomes Free Cities Association

AU0412092490 Sofia DUMA in Bulgarian 1 Dec 90 p 1

[Galina Antonova report: "'Razgrad Bulgarian Republic' Grows Into 'Association of Free Bulgarian Cities'"]

[Text] Ruse, 30 Nov—As of today, the so-called "Razgrad Bulgarian Republic" grew into an "Association of the Free Bulgarian Cities With Free Bulgarian Citizens." This was announced at today's rally in Ruse, organized by the Regional Committee on Defense of National Interests, the Fatherland Labor Party, and the Bulgarian National-Radical Party. Representative groups from Razgrad and Isperikh took part in the rally.

Razgrad, Shumen, Aytos, Kurdzhali, Omurtag, Silistra, and Isperikh have declared themselves "free Bulgarian cities." The basic principles of the "association" are legality, civic self-determination, and social treaty. It will have a civil parliament as a counterbalance to the Grand National Assembly, and a form of expressing public opinion. It has not been decided where the association's organs will be seated. However, its goal will be to propose to the state leadership alternative ideas on resolving our social problems.

At the rally an appeal of the Bulgarian National-Radical Party City Committee was read. It accuses Zhelyu Zhelev, Petur Beron, Andrey Lukanov, and Aleksandur Lilov of betraying national interests and of provocations. If the aforementioned figures do not resign and do not implement the demands of that party, the party will begin a life or death struggle for the nation's survival.

Serious Pollution From Uranium Mining Revealed

AU0412202090 Sofia BTA in English 1901 GMT 4 Dec 90

[Text] Sofia, 4 Dec (BTA)—The problems of the radioactive pollution caused by uranium mining are the subject of a second meeting at the Ministry of Environment in the last five months. Today's meeting discussed the alarming situation in the region of one of the first Bulgarian uranium mines in the village of Bukhovo (near Sofia). Uranium extraction started there immediately after World War II. Until 1966 the village was also the site of the only works for processing the extracted uranium ore. Several months ago families with children aged under 15 living in this region were offered to move.

In spite of the fact that the "state secret" around uranium mining did not concern ecological pollution but the defence industry and the relations with the Soviet Union, for years on end this secrecy served to cover a number of violations.

The first signals about a serious pollution of the three villages near the mine date back to the 50's. The first measures were also taken then a tailing dump was built and the most contaminated lands were expropriated, fenced and afforested. But what was most important was not done—the population was not informed of the serious danger to which it was being exposed. Despite the prohibitions the people continued to use contaminated waters for irrigation and to till the expropriated lands. The population was not subjected to regular medical check-ups. Only in the last few years the children living in this region were examined but only for heavy metal contamination.

The conclusion of the specialists is that at present the extent of the radioactive contamination of the region is not irreparable. They insist on the drafting of a package of measures for the concrete work of the government in this field by January.

Zhelev Receives U.S. Attorney General Thornburgh

AU0412215990 Sofia BTA in English 2048 GMT 4 Dec 90

[Text] Sofia, 4 Dec (BTA)—President Zhelyu Zhelev received Mr. Richard Thornburgh, U.S. Attorney General, who arrived in Bulgaria today.

The Bulgarian president acquainted Mr. Thornburgh with the changes that are taking place in the country: the drafting of new constitution and legislation and the consultations on the composition of the new government.

Mr. Thornburgh showed great interest in the democratization process: the reforms in the judicial system to promote independence of justice, the extent to which security forces have been reorganized, etc.

President Zhelyu Zhelev and Mr. Thornburgh discussed ways in which the United States could help the democratic processes in Bulgaria.

Tomov Meetings During Washington Visit Noted

AU0412090090 Sofia DUMA in Bulgarian 2 Dec 90 p 1

[Text] Washington, 1 Dec—Aleksandur Tomov, deputy chairman of the Bulgarian Socialist Party Supreme Council and chairman of the Coordination Committee, who is visiting the United States, was received by Curtis Kamman, deputy assistant secretary of state on Eastern European issues. The necessity of further developing Bulgarian-U.S. relations and dialogue with all political forces with a view to developing human rights and democracy was pointed out.

Aleksandur Tomov also had meetings at the Center of Strategic and International Research, where he visited with other Bulgarian experts and parliamentarians at the Department of Commerce, the World Bank, the IMF, and so forth.

EC Grants Nation Third World Trading Status

AU0512090990 Sofia BTA in English 0839 GMT 5 Dec 90

[Text] Sofia, 5 Dec (BTA)—EC foreign ministers voted yesterday to grant Bulgaria and Czechoslovakia a trade concession package similar to those granted to third-world countries. From next year the two East European countries will benefit from relaxed trade barriers under the generalized system of preferences: lower tariffs on agricultural and industrial goods, textile and lead.

Havel Comments on First Round of Elections

LD0212181690

[Editorial Report] Prague Domestic Service in Czech at 1315 GMT on 2 December, during its "Conversations at Lany" program, broadcasts a 28-minute recorded interview with CSFR President Vaclav Havel in Prague on 30 November by correspondent Vejvoda, who begins the interview by asking Havel to comment on the first round of elections in Poland.

Havel replies: "The development in Poland as it is reflected in the elections there can be interpreted in various ways, it is possible to read the results of those elections in different ways. Nevertheless, one aspect or one possible interpretation occurs to me: The result of those elections has partly the character of a rebellion, or, if not a rebellion, then a distaste felt by a considerable part of the population to the so-called dissidents, i.e., those who for years represented the intellectual opposition to the totalitarian system.

"Those are our friends Kuron, Michnik, and others who nowadays in their majority tend to surround Mazowiecki. It is after all also Mazowiecki himself. Lech Walesa came in fact a bit later, and was in some ways prepared and trained by these people who created the intellectual, spiritual, and conceptual background for him. In a way, he rose up from this dissident hinterland.

"The great percentage of votes received by the Peruvian Pole shows a desire for somebody new who in fact has no link at all to the past, who comes from a different corner of the world, who had nothing to do either with the former regime or the opposition to it.

"Walesa himself, who moved into opposing the intellectuals around Mazowiecki—all of whom were originally his friends and advisers—seems to have realized this when faced with the elections results, and in fact has re-established some contact with them. In Poland itself, this is being interpreted a bit like parting the ways with Solidarity which, though being in fact a mass trade union movement with millions of supporters, rose from this intellectual hinterland.

"In 1980 perhaps once again only an uncontrolled burning of secretariats and spontaneous manifestations of social protest—similar to those which took place in Poland at times in the past—would have taken place without the preparations of the intellectual opposition, which in fact helped provide the people's movement with its concept and structure. This led to the foundation of the independent trade union organization—Solidarity."

Havel continues: "When thinking about the Poles' attitude to former dissidents, it occurs to me that perhaps it is a more general development, which we can also detect in our country: the distaste felt toward dissidents, people being tired of them. I recognized it as a psychological aspect. The dissidents were those madmen who spent years banging their heads against a brick wall, while the majority of citizens, feeling distaste and disgust, in the end assimilated themselves, accepting control, and in the end they always allowed themselves to be forced to bend their spines and go to elections and give them [communists] that 99 percent of the votes, and so on.

"Facing those who were in opposition, those Don Quixotes, the majority of citizens were aware that possibly what those in opposition do is more correct, that all people should do it, and that it would speed up development. Nevertheless, people at the same time felt that it was simply not possible, that not everyone lives in conditions or has the mentality enabling him to resist and to risk so many things by entering into confrontation. They began to look at the dissidents as at some sort of guilty conscience—a bit subconsciously, perhaps not consciously. This created a psychological tension.

"What has happened now is that revolutions have placed these dissidents in power—who else, of course?—as they were those who were active in the opposition in some ways for many years and worked on political concepts, attempting to analyze the totalitarian system openly, etc. Of course, this gave a spark to entire fireworks spectrum of problems that have suddenly emerged with the liberation. When a society has some problems, it mostly seeks to blame those who are in power. If these dissidents are those in power, then this need to find a culprit is joined by the unconscious habit of distaste felt toward the dissidents, and this in fact brings in a desire for new people who did not have anything to do with it, belonged neither here nor there. We can also see this in our country: a desire to find somebody totally new who will appear as a star and will shine and find some special original solutions. At the same time we can detect this also in those various efforts to show that those dissidents are not after all saints, to look for some kind of conspiracy—all this appears in our press, above all in tabloids, but not only there.

"I do not say this out of sorrow or because I would like to complain that we were active in one or the other way, risked something, sacrificed something, and now we are not wanted or are being pushed out. Not at all; I am saying this just as an observaiton, as an idea that occured to me when thinking about the results of elections in Poland."

Asked if he agrees that nations assess their leaders not so much rationally as emotionally, Havel says that this irrational attitude necessarily plays a role in public life, but not all people apply it and those who do are inconsistent.

Asked about the latest UN Security Council resolution on Iraq, Havel says: "The last resolution of the Security Council adopted yesterday [29 November] is really very important, and it is unprecedented in recent years. I think that it is a success of U.S. policy that it has managed to clear the atmosphere in this way.

"Now the cards are on the table. Peace talks with Iraq were proposed, but at the same time a deadline of 15

January was imposed—to put it simply, a chance was given to Iraq to withdraw without any bloodshed from Kuwait, which it had attacked. At the same time, it is clearly stated that if it does not do so, then it can expect a counterattack.

"My feeling is that the situation is now lucid and clear. It is now clear that this is not U.S. expansionism, that they do not want to gain another sphere of interest or gain oil, etc. Now it is a decision by the Security Council, which represents the world community. It is a clear and easily understood decision. Now we will see what happens.

"Of course, all of us would be glad if Saddam Husayn finally understood the situation and somehow came to terms with his pride and prestige and simply understood that there is no alternative left for him if he wants to save human lives than to leave the country he occupies."

Vejvoda then recalls CSFR Federal Prime Minister Calfa's television address on Friday, when he spoke about his talks with the chariman of the Sudetenland Landsmanschaft.

Havel says: "The stance taken by Marian Calfa during his visit to Germany was of course agreed upon in advance and followed up on our previous talks with Chancellor Kohl. Marian Calfa really presented Czechoslovakia's position on this issue. Our stance is rather clear; we expressed our view about the displacement of the Germans several times rather clearly. We are aware, though, that for various reasons it is simply impossible to reflect our fundamental stance of principle into the sphere of legal, property, and other demands. In such a way we would never find an end to it; we could move further and further back in our history, putting right all the wrongs. We would need to present the Germans with a bill for what they had done to us—and in this way we would never stop sending some kind of bill to each other.

"Our view is that it is necessary to draw some kind of a line under all this and look to the future and put the relations of our countries on a new basis. This is what we expect from an agreement that is being prepared and that is to be drafted in the first quarter of next year, concluded, ratified. We think that it would be very reasonable if the agreement clearly states that we do not have any further demands regarding reparations for war damages, nor do the Sudetenland Germans who had been displaced have any further demands. They are always welcome here in their former homeland, and they can of course invest here. Nevertheless, presenting each other bills on those thousands of millions is simply not possible—they are very unclear, as everything has meanwhile totally changed. It is especially imposssible to discuss such an issue on any other than a government level.

"Both the FRG and Bavarian governments in essence share Czechoslovakia's stance, and if Mr. Neubaurer [chairman of the Sudetenland Landsmanschaft] accelerates a bit, for instance, comparing it with his views in last winter or in spring, and increases his demands, I must say that in my view it is partly due to the election campaign, the election situation in Germany."

Asked about his stay in Slovakia, Havel speaks about his visit to the Prakovce military factory and notes that one of the crimes of the previous regime was that they did not allow these factories to prepare themselves for a conversion to peaceful production, despite years of disarmament talks. Havel acknowledges how difficult is the task of a sudden conversion now faced by these factories, and says that the help of Federal bodies will be available.

Havel goes on to discuss this visit to a Romanies' village in the Spis district, and describes the appalling conditions he saw there, comparing them to the conditions in Third World countries. He notes that a country must always be judged according to the living standards of the poorests of their citizens and not those best off.

Havel also recalls his discussion with Bratislava students, and notes that their fear about the future, about social welfare in the years to come, is obviously greater in Slovakia then it is in Bohemia.

Asked about his talks at the Bratislava Castle on Friday, Havel says that they included the question of oil pipelines, ways to tackle the issue, and they agreed to let it be solved by experts. He believes that a solution that is fair to both republics can be reached.

Asked about his admission during a discussion with Bratislava students that Czech journalists are not reporting events in Slovakia objectively, Havel points out that Czech mass media do not have correspondents in Slovakia, and therefore their reporting is often only secondhand. Mistakes are also being committed by Slovak journalists, but in his view the Czech ones are mistaken more often.

Vejvoda asks Havel about the fruit of his visits to Slovakia and Havel stresses that he now travels to Slovakia not for official visits but to work there. The purpose of this is to create an atmosphere of a mutual trust. He goes on to point out that during almost a year in office he came to realize how big is the role played in politics by personal contacts, and this applies both to domestic and foreign policy. Policy is in fact the care of a human being for a human being, and this requires that people know each other.

Cibula Assesses Local Election Statistics

AU0212191590 Bratislava NARODNA OBRODA in Slovak 28 Nov 90 p 3

[Igor Cibula commentary: "Real Reflection of the Mood"]

[Text] If we impartially decipher detailed statistics on the local elections, then our assessment of the elections may differ from the official assessment of election results presented by the political subjects of the government coalition. It is possible to accept the Christian Democratic Movement's opinion that the election results "reflect the current composition of political forces and the mood of our citizens." Yet, it would not be proper to be satisfied with the fact that "voters in the local elections in Slovakia turned their backs on the extreme right and left and divided their votes among the candidates of a number of political parties," as stated in the declaration made by the Coordinating Center of the Public Against Violence [VPN] movement.

It is not easy to identify the "extreme" right in the local elections, but the left wing, represented by the Communist Party of Slovakia, became—with respect to the number of mayoral positions won in cities and communities—a relative winner in the elections. Despite the continuing anti-communist campaign this party managed to keep its positions on the level achieved in parliamentary elections—this cannot be explained away by the fact that communists have a dense network of local organizations at their disposal, as well as financial and technological means. Their bastion is East Slovakia, were they won the strongest positions in Svidnik, Roznava, and Bardejov districts.

The East Slovakia region provides a safe base for the Christian Democratic Movement as well. This movement has the largest number of supporters in the districts of Spisska Nova Ves, Presov, and Stara Lubovna. A significant influence of the Christian Democratic Movement was also seen in the districts Dolny Kubin, Zilina, Topolcany, Povazska Bystrica, Cadca, Prievidza, and Trnava. The fact that most of its candidates were elected as mayors and as members of local administration in village communities even further improves the successful score achieved by the Christian Democratic Movement in the elections statistics.

In larger cities, for instance in Bratislava, the VPN movement partially retained its position, despite the fact that the election results of this movement—particularly if we compare them with the parliamentary elections—cannot be seen as a success. We have reason to assume that the VPN movement's election potential shrunk by those voters who boycotted the elections or who cast their votes for independent candidates. The high percentage cast in favor of this candidates is worth examination, since there is a insignificant number of former Communists among them.

The Slovak National Party was defeated in the elections, winning only one third of the mayoral positions in communities where the party put forward its candidates. The party's stronger influence was seen only in Central Slovakia region, where it won most of the votes in districts Zilina, Povazska Bystrica, Cadca, and Dolny Kubin. A negligible percentage of voters' support should restrict the ambitions of the Slovak National Party to present its political program as a platform of the entire Slovak nations. Chauvinist Pragocentrists should curb their invectives addressed at Bratislava, and Prague specialists on the so-called Slovak question should examine the reasons for the Communist expansion in Bohemia—rather than evoke spirits of Slovak separatism.

Czech Republic Reviews Local Election Results

AU0312131490 Prague HOSPODARSKE NOVINY in Czech 28 Nov 90 p 1

["(ci)"-signed report: "The Election Results One Day Earlier Than Expected"]

[Text] One day earlier than expected, the Czech Electoral Commission reported the first results of the elections to local administration in the Czech Republic. The commission stated that the elections were held in conformity with the law and that 73.55 percent of the registered voters took part in the elections. According to official data, Civic Forum [OF] won the largest number of votes in the Czech Republic (35.57 percent of votes and 31.72 percent of mandates). The second place was taken by the Communist Party of Bohemia and Moravia—17.24 percent of votes and 14.43 percent of mandates), the third place was taken by the Czechoslovak Peoples' Party (11.5 percent of votes and 12.14 mandates). The fourth place was taken by independent candidates with 10 percent of votes, followed by the Czechoslovak Social Democratic Party (5 percent), the Movement for Self-Governing Democracy (4.2 percent), and Green Party (3.2 percent of votes). Eight parties of 51 parties taking part in the elections have not won a single vote. Among the interesting data that were reported at the news conference were the data indicating that the total of 835 coalitions that run in the elections were composed of 879 parties [figures as published].

Election results in the city of Prague differed a little from the average results in the Czech Republic. OF has won 46.6 percent of votes in Prague while the average for the entire republic is 35.6 percent; the Communist Party of Bohemia and Moravia have received slightly less (14.2 percent compared to 17.2 percent); and the Czechoslovak People's Party much less (5.1 percent compared to the 11.5 percent average for the entire republic). Independent candidates have won 7.2 percent of votes in Prague while the Czech Republic average has been 10.6 percent).

When the Czech Electoral Commission was asked whether it was familiar with the circumstances surrounding L. Zifcak's participation in one of the electoral commission, the journalist heard a replay that, according to available information, L. Zifcak was properly proposed as a member of the commission by his party. From the legal point of view his having been a member of the commission was correct. Regarding morals and responsibility, however, this was his problem and that of those who proposed him. Other questions were directed toward the election results of the Association for the Republic-Czechoslovak Republican Party, headed by M. Sladek. This association has won 0.5 percent of all the votes and 47 mandates.

At the end of the news conference, the chairman of the Czech Electoral Commission, Dr. J. Barton, stressed the fact that the results were known one day earlier then expected, despite the fact that there were more data to be processed than in parliamentary elections, and he expressed his thanks to the workers of the regional electoral commissions.

VPN Expresses Satisfaction Over Election Figures

AU0312112390 Bratislava VEREJNOST in Slovak 27 Nov 90 p 2

[Statement of the Coordinating Center of the Public Against Violence [VPN] movement on the Local Elections 1990; date and place not given]

[Text] Recently, Slovakia made another step on its way to the democratic civil autonomous society. We trust that the citizens selected for the local administration and mayoral posts are really the most capable people, those who will push through the ideas of the inhabitants of the cities and communities regarding their future make-up.

We want to express our satisfaction over the fact that on a state-wide average the voters stood up against the extreme left as well as the extreme right wing and distributed their votes among candidates of several political groupings. Thereby, prerequisites were established for cooperation, political stability, and assertion of expert capability. At the same time, the outcome of the local elections confirms that there is substance to and political support for the existence of the current government coalition in Slovakia.

The Coordinating Center of the Public Against Violence [VPN] movement thanks all its voters, who expressed their trust in the candidates of the VPN movement, whether individually or in coalition with other democratically orientated parties and movements. The VPN movement will endeavor to form such mechanisms that would make possible working contacts and cooperation in the governmental and local policies.

Recognition and thanks also go to all activists and collaborators of the movement who participated in the election campaign and contributed to the successful proceeding of the elections themselves.

Movements React to Developments Within CPSL

AU0512122390

[Editorial Report] Bratislava PRAVDA in Slovak on 29 November on page six carries two 500-word statements issued by the Communist Party of Slovakia (CPSL) Platform for Communist Renewal and the Social Democratic Party in Slovakia Executive Committee in which they react to decisions made at the CPSL Congress held in Presov on 20 and 21 October.

The statement issued by the leadership of the CPSL Platform for Communist Renewal, entitled "Struggle for the Movement's Renewal," appeals to party members "who disagree with the change in the party's name—as well as with the new policy intentions associated with this—not to succumb to emotion and not to leave the party. On the contrary, it is necessary to realize that the struggle for the renewal of the communist and socialist movement is entering a new stage which will require assistance from every politically mature and capable party member." The platform's leadership also appeals to CPSL members to help "found the Club for CPSL Communist Renewal." The statement is concluded by the claim that "differentiation—despite our endeavor for CPSL unity on the democratic foundations of ideological plurality—is clearly oriented toward the division of the current Communist Party of Slovakia—Party of the Democratic Left into the Communist Party of Slovakia and the Socialist Party of Slovakia and toward their entry into the CSFR Federation of Communist Parties."

The statement issued by the Social Democratic Party in Slovakia (SDSS) Executive Committee, entitled "Point of View," outlines the party's objections to the CPSL. According to the statement, the party rejects "the fundamental ideas of Marxism-Leninism, Stalinism, dictatorship, one party monopoly, and the repressive policy applied to the population for 40 years." The statement adds that the party will never forget this and maintains that its role is "to assist in the CPSL's dissolution." The social democrats reject any kind of cooperation with the CPSL, but will not prevent former CPSL members from participating in "a new political life" and will even accept them as members of the SDSS. The SDSS Executive Committee states that "the results of the CPSL Congress in Presov deeply disappointed us." It adds that the "reform, non-communist delegates" are unaware of their responsibility toward "democratically thinking" party members and the general public. They have forgotten the "historic defeat" of communist policy. The SDSS Executive Committee concludes its statement by declaring that it protests against "Stalinists, neo-Stalinists, dogmatists, sectarians, and former potentates concealing themselves behind the banner of the democratic left. We consider it our duty to bring this fact to the democratic public's attention along with our fundamental disagreement with the direction of the CPSL's policy development."

Commentary Reacts to Pithart Criticism of Meciar

AU2911184990 Bratislava NARODNA OBRODA in Slovak 27 Nov 90 p 3

[Jan Fule commentary: "The End of the Prime Minister's Affinity?"]

[Text] Following the talks in Trencianske Teplice involving the three governments, the public has formed an image of two compatible republican prime ministers resolutely battling against "federal evil." Prime Minister Pithart—somewhat surprisingly—ruined this precious national accord on Sunday [25 November] evening during his regular television address. Following the pattern set by certain Prague journalists, he also attacked that part of Meciar's speech—delivered on Tuesday [20 November] to the Slovak National Council [SNR]—in which the Slovak prime minister rather unhappily compared the atmosphere at the negotiations on the distribution of jurisdiction to a high jumping competition. In this connection, Petr Pithart stated that "such a metaphor, in my opinion, is not so much a sports one as a haggler's one." The Czech prime minister continued: "It is not a sports metaphor because whoever takes part in the high jump knows that when he sets the bar too high and does not jump over it, a zero is marked in his record and not 220." However, the decisive blow did not come from the well discussed high jumping sphere, but from the mine field of the new republican budgets. Mr. Meciar stated on "Czechoslovak Television Journal" that an exception should be made out of the turnover tax so that the Slovak budget could receive income from gasoline produced in Slovnaft, but consumed in the Czech Republic. Prime Minister Pithart announced on television just a few minutes after 2100 [2000 GMT] that such an amendment to the budget would mean a loss of seven billion korunas for the Czech Republic. His stance harbingers a very tense atmosphere for today's talks involving all three prime ministers about—what else—budgets.

In this connection, it is possible to return to the above-mentioned speech delivered by Vladimir Meciar to the SNR. The Czech press did not quote the following part: "In the majority of cases, the Czech and Slovak Republics stood together because they have similar problems regarding the federation. We had differing views about many things, but we were closer to each other than to the federal organs. Why conceal this. We knew we had to come together and we knew we had to adopt a joint point of view, but please understand, after 1 January the situation will be different. We will have to divide our resources and determine the republics' quotas."

Prime Minister Meciar was mistaken. This took place as of 25 November.

Dlouhy Warns of 'Political, Personal Ambitions'

LD2911232190 Prague Television Service in Czech 1830 GMT 28 Nov 90

[Interview with CSFR Economy Minister Vladimir Dlouhy by unidentified reporter in Zidlochovice on 28 November—live or recorded]

[Text] [Reporter] Mr. Minister, how do you assess the results of today's session?

[Dlouhy] Well, we discussed first and foremost two items; the gas pipeline and the oil piepline. No agreement was reached on the gas pipeline. Because on this topic there is no need to provide further information, we in fact merely noted this disagreement after exchanging views, with the premise that we will inform all three prime ministers. As for the oil pipeline, the demand to divide it has also surfaced, of late. More documentation should still be drawn up in this respect, and we agreed to do it. A group of experts will meet, but in fact no agreement is expected.

I would like to use this opportunity to express a certain standpoint. I think that the public elections, or rather public opinion, the local elections and recent developments, indicate that the majority of our population in both the Czech and Slovak Republics is in favor of retaining the federation, and at the same time favors economic reform. However, it also wants a certain degree of economic functioning for the entire federation. This means that there are certain economic affairs that the federation must retain and administer. Among these are minimumn control over trade and supply of strategic raw materials—and this in turn includes the distribution networks, or in other words the gas and oil pipelines.

From this session I have a feeling that political and personal ambitions are taking precedence over economic ones. At the same time it is clear that there there is a line beyond which we cannot retreat, because it would endanger the functioning of the federation. I must note, though without pleasure, that the conduct of the Slovak government under Mr. Meciar's leadership evokes fears in me that the Slovak representation is quite consciously overstepping this line, by using certain populistic arguments about the so-called economic benefits to Slovak people and Slovakia. This is dangerous and irresponsible at a time when we need above all calm, when we need cool heads, when we are entering very difficult times for the economy. The federal government finds itself under continuous pressure to back down—to back down from sensible principles. Specific interpretation of the agreement concluded a fortnight ago in Hrzan Palace is already materializing. We are continually facing absolute mistrust in our talks and in our proposals for the future. We are facing the desire to divide everything. We are facing steps that do not take into account the basic development trends in Europe, which is heading to the contrary toward integration.

Because these are harmful trends, we must take up a truly firm stance toward them. I would like to make an appeal, but not only to public opinion and economic circles. I would like to appeal first and foremost to political representation in the Czech and Slovak Republic, that they start adopting concrete steps; that they call to account those who, through this absolutely irresponsible conduct, are able to drag into extremely serious economic problems not only the whole federation but also the independent Czech and Slovak peoples. I think the time has come to talk about the political responsibility of a spokesman for the Slovaks.

Finance Minister Klaus Supports Dlouhy Remarks

LD3011232290 Prague Domestic Service in Czech 1430 GMT 30 Nov 90

[Excerpts] In the view of Vaclav Klaus, Civic Forum [OF] chairman and Federal Finance Minister, Federal

Minister Vladimir Dlouhy did not violate the principles of the coalition. This is what reporters learned at the OF news conference today. Asked about Vladimir Dlouhy's staatement on Czechoslovak television and about the subsequent reaction of Public Against Violence [VPN] representatives, which labelled this interview as politically erroneous and evaluated it as a violation of basic principles of coalition partnership cooperation, Vaclav Klaus said that in his view it was not Minister Dlouhy who violated the agreeemnts. He thinks that this was done by his Slovak partners at the Zidlochovice talks.

Vaclav Klaus also recalled that the solution to the problems of the state budget was agreed upon beforehand. A generally acceptable solution was chosen on the question of what should be done with the proceeds from individual economic activities located on a particular territory, and so on. Because it was agreed that these matters would be divided on the basis of common principle, the participants in the talks on state budget were left with certainty that no individual approach will be practiced in time to come. Minister Dlouhy was briefed about this and conducted his talks in Zidlochovice accordingly.

I am not sure, Vaclav Klaus said, whether the Slovak side was also informed in these terms and whether it was not even asserting another view in Zidlochovice. According to Vaclav Klaus, Vladimir Dlouhy's response was a natural response to the situation that has arisen.

Speaking about coalition and partnership relations between OF and VPN, Vaclav Klaus added that he could not see a reason for a dramatic problem to develop. [passage omitted]

Let's go back to today's OF news conference in Prague. Vaclav Klaus, chairman of this movement, spoke among other things about a possible opening of Czechoslovak-Polish borders. He said that the talks with the Polish side are still in a deadlock on several issues and if they are not shifted then it is impossible to radically change the conditions for reciprocal journeys. He also pointed out that our side is open to these talks and will continue to pursue them.

Meciar Finds Dlouhy's Remarks 'Unfortunate'

LD3011230190 Bratislava Domestic Service in Slovak 1100 GMT 30 Nov 90

[Interview with Slovak Prime Minister Vladimir Meciar by Alica Bielikova in Modra-Harmonia on 29 November—recorded]

[Text] [Bielikova] Mr. Prime Minister, your every word, view, and attitude is eagerly awaited, not only in Slovakia but also in the Czech lands. Our listeners are now waiting for your reaction to the words of Mr. Minister Dlouhy.

[Meciar] The political parties have already reacted to it. Several members of the government have also made statements on the topic. Whatever I say will be only a repetition of what they could have said and did say: the remarks by Mr. Dlouhy were rather unfortunate as they were unfounded. It is likely he was in quite an emotional state when he spoke, and what he said was not justified.

[Bielikova] He said, for example: I think it is time to talk about the political responsibility of some Slovak officials.

[Meciar] Yes. I have seen his speech several times; it is even transcribed, and we have analyzed every word. No Slovak officials have ever tried to shirk political responsibility: toward whom anyhow? Toward Mr. Dlouhy? Or toward the Slovak National Council and the citizens of the Slovak Republic? We accept our responsibility toward them, but not toward Mr. Dlouhy. This is the light in which the steps taken should be seen. If the work of Slovak officials has been spoken of there in a negative way I would like to point out that it was the Slovak political representation that proposed the programe, it was the Slovak political representation which has been observing it witout deviation from the outset, it was the Slovak political representation which first accepted the agreements from the Hrzansky Palace, at which Mr. Dlouhy has thrown doubts.

In the sense of these agreements the federal minister has no right to act in any way that clashes with the resolutions of the appropriate government by creating federal bodies that would be in charge of this or that. There are many points we could analyze, but the basic cause has not been explained anywhere so far. The cause is that certain rules have been made for the creation of budgets. The Slovak Republic said that we want each of us to live from what we create on our own territory. Therefore it seems that we should be held politically responsible for this. Well, if we are to be responsible for this (?we fully accept it.)

[Bielikova] Does it mean that you would not give up regarding the oil and gas pipelines?

[Meciar] We have already given way [words indistinct], at a meeting of the three prime ministers we have been looking for a way out from the existing situation. Within the framework of the given system and the structure of the relations that have been formed we could not find a solution, and not because the Slovak or the federal government did not want to. It was because the Czech government was not willing. Therefore the principle was adopted that quite a new concept of the creation of budget will be worked out, we adopted it and we continue to work within its framework but [words indistinct] it is only for 1991, that it is temporary and that it will have to be reviewed probably every three months regarding the actual fulfillment of the adopted pledges.

[Bielkova] Mr. Prime Minister, do the entire Slovak government and entire Slovak officialdom—and I mean the entire coalition—support your views?

[Meciar] The government resolutions were unanimous. The Slovak National Council passed a decision with the majority of 90 votes. This is a great majority. The political parties, as far as I know, the Democratic Party, and the Public Against Violence [VPN] supported the government and did not agree with Mr Dlouhy. I still do not know the viewpoint of the Christian Democratic Party but I suppose that it was also insulted by Mr. Dlouhy.

What we need is less emotion from Prague; we need to stop thinking that when a chair is shaking the whole house is not stable. Less fear is necessary of the wishes of the Slovaks, because they want nothing more than equality and the removal of the points of friction that exist in this federation and are making it weaker. They want to reinforce it in a different way from the one we have been used to so far, in the way to make it suitable for citizens, of either Slovak or Czech nationality.

If a doubt is thrown on the actions of the Slovaks only because of what we say and adhere to, and if it is continuously expected that we will stop somewhere—and yet we continue moving in the same direction—then it results in a perplexity as to how we can dare to take liberties to act in this way. We take liberties for nothing bad. We are fulfilling and observing all our responsibilities. Nobody can accuse us of failing to fulfill our responsibilities, although we can quote a number of cases to the contrary regarding the others. However, we find it unfair to speak about it.

If there are various trends here, in my view it is not a case of Dlouhy or throwing doubt on the Slovak representation. However, since an enormous sum of money is concerned in connection with oil and gas and gasoline and some other items they are made into a political issue to shift this tension onto the members of the Federal Assembly and make them turn down the bill on the division of powers that has been presented there by the Slovak National Council and to leave everything as it is. The intention behind all this has nothing to do with the fact of whether Meciar will or will not be a prime minister or whether somebody should leave the Slovak government or not and, if so, it would have nothing to do with the wishes of Mr. Dlouhy or the liking of anybody in Prague, but it would happen because that person would not be liked by our people here. In my mind it is more likely the last desperate attempt to break all efforts toward a balanced, well-organized democratic federation with the transfer of jurisidiction to those levels of decisionmaking where it will be useful. When looking at these things from this wider context many things look different.

[Bielkova] When will you meet again?

[Meciar] At lunch-time tomorrow. This is a very close date. With the participation of the president.

[Beilkova] You will let us know afterward what the result is?

[Meciar] We will decide how to pass on the information. We always make a decision concerning in what form the information will be made public, then I come home and find out what has been said in Prague. [laughs] So some information cannot be taken seriously. Some articles are quite creative and untruthful, such as for example in MLADA FRONTA today, which contains such a heap of idiocies that I do not understand how he could sink so low as to write rubbish like that.

Slovak Paper Questions Dlouhy's Competence

AU0412105690 Bratislava NARODNA OBRODA in Slovak 30 Nov 90 p 3

[Igor Cibula commentary: "The Minister's Political Bungling"]

[Text] The invectives which Federal Economy Minister Vladimir Dlouhy addressed to Slovak Prime Minister Vladimir Meciar from the television screen are not a good omen prior to the debate in the federal parliament on the law on the division of powers. The tendentious reporting of federal television, which gives preference to the Czech interpretation of the contentious issues concerning Czech-Slovak settlement, does not inspire an optimistic prognosis of the constitutional arrangement of relations between the two republics either. The majority of Slovaks regards federal television's reporting as manipulation of public opinion in Bohemia and Moravia where tendentious information and half-truths are being served also by some Prague newspapers.

Yesterday the "Castle daily" LIDOVE NOVINY went the farthest when it included Meciar among "messianic populists." Another author writing in the same newspaper sees today's situation in Slovakia as "a contest between only two significant political forces: moderate anti-Czechoslovakism and virulent anti-Czechoslovakism." Only rarely does one find an author like Petr Prihoda who advises his fellow Czechs that they must "stop seeing Slovakia as Bohemia's trailer and finally start treating Slovaks as a nation with everything that belongs to it."

No one can limit Czech journalists and essayists in how they present their view of the situation in Slovakia. When, however, a minister of the Federal Government appeals to the political representative bodies in the national republics to call someone to account, it is a statement of such gravity that it must not remain unanswered. The fact somehow escaped Mr. Dlouhy's attention that it is not a question of Mr. Meciar but of the Slovak Government's programmatic platform, a platform which enjoys the full support of the Slovak National Council. Should some circles in Prague base their attacks on Prime Minister Meciar on differences between the Bratislava coalition partners and on the speculation that Christian Democratic Movement [KDH] Chairman Jan Carnogursky might be easier to come to terms with, their reasoning is based on a superficial assessment of the internal political situation in Slovakia. It is true that the leadership of the KDH insists on a fair attitude of its coalition partners within the Slovak Government. As far as the conflict with the

Prague Czechoslovakists is concerned, however, it would never stab the prime minister in his back.

Federal Prime Minister Marian Calfa should bring the political bungling of his minister home to him because, in his capacity as representative of the Public Against Violence movement [VPN], he should defend the "chance for Slovakia" [the VPN's election slogan] just as vigorously as Meciar does. Vladimir Dlouhy issued his appeal against the background of a conflict on an economic problem. By politicizing the gist of this problem, however, the minister raised the question of his own competence. This is why Slovakia expects the federal cabinet to explain whether Mr. Dlouhy was expressing only his private opinion or presenting the position of a constitutional official.

Havel Decides To Intervene in Libel Case

LD0412213990 Prague CTK in English 1901 GMT 4 Dec 90

[Text] Prague Dec 4 (CTK)—Czechoslovak President Vaclav Havel has decided to use his right to stop legal proceedings against Jaroslav Schneider and Bohumil Prochazka from Ceska Lipa, North Bohemia, who were charged recently with the offence of libel against the president according to Article 103 of the Penal Law.

Both men were prosecuted after posting up an illustrated text in a public place containing libel against the Czechoslovak president. Vaclav Havel does not consider it an act that could endanger respect for the head of state. He shares the opinion of a group of deputies proposing to eliminate Article 103 of the Penal Law. Havel, however, on the other hand, thinks that intentional and demonstrable lies about state officials aimed at destabilization of the country should be punished with high financial penalties. An amendment to a law to this effect is being prepared at present.

Union Official Forecasts Action on Assembly Vote

LD0312175290 Prague Domestic Service in Czech 1500 GMT 3 Dec 90

[Text] The trade unions associated with the Czech and Slovak Confederation of Trade Unions have been on strike alert since last week.

Its purpose is adoption by the Federal Assembly of three important laws: the law on employment, the amendment to the Labor Code, and the law on collective bargaining. Disputes are being waged, above all, about Article 5 of the draft of the Labor Code, which ensures working people's right to enterprises' comanagement.

There was a change in trade unionist strategy over the weekend, and this is why at today's session of the strike committee (Milada Richterova) asked Vice Chairman (Pavel Hajek) the following:

[Begin recording] [(Richterova)] Can you tell me why you are suspending your strike alert from 2000? Does this perhaps mean that some positive steps in meeting your demands have already materialized?

[(Hajek)] The existing agreement between the representatives of our Czech and Slovak Confederation of Trade Unions and the representatives of Civic Forum Deputies' Club says that we agreed that after the talks and before the plenary session of the parliament they would be asserting certain guarantees in support of our requirements.

[(Richterova)] The final decision on this question should be made in parliament tomorrow. It appears that there will be no shortage of arguments by the opposition. If this deliberation does not meet with your complete satisfaction, and if it does not meet your demands, what course of action will you take in asserting them?

[(Hajek)] The strike alert will be, in fact, suspended only before the parliamentary session. The whole strike committee will be following the parliamentary procedure, and, of course, if we are not satisfied with its conclusion, the committee will take up its positions, and the whole Czech and Slovak Confederation will then take further steps. This means that the strike committee will decide what further steps should be taken. A convening of an extraordinary session of the General Council cannot at all be ruled out.

Federal Assemby Approves Employment Draft Bill

LD0412200890 Bratislava Domestic Service in Slovak 1600 GMT 4 Dec 90

[Text] The law on employment is one of the basic laws, which create conditions for the transfer of our economy to a market economy.

This is what was emphasized today by Petr Miller, federal minister of labor and social affairs, when explaining the government-sponsored draft of this bill to the deputies of the parliament. He went on to say that creation of a labor market is the prime task of the employment policy in the nearest future. Only if it functions well will it be possible to tackle a number of problems related to major shifts in employment. As Minister Petr Miller said, the full employment declared by the law should be understood in broader context. What proceeds from it is not, for example, the duty to work, but the situation under which the state creates conditions for attaining this objective through its economic and social policy.

Deputies of the two chambers of the Federal Assembly approved the government-sponsored draft bill on employment.

Bank Chairman Discusses Convertible Currency Law

LD2911093490 Prague Domestic Service in Czech 1730 GMT 28 Nov 90

[Interview with CSFR State Bank Chairman Josef Tosovsky by Jaroslav Kalicky on 28 November; place not given—recorded]

[Text] [Kalicky] The convertible currency law is a fundamental document making it possible to introduce internal convertibility of the koruna as of 1 January next year. What will its practical use be?

[Tosovsky] The convertible currency law allows for internal convertibility, meaning that the way in which the state has managed foreign exchange for many years will change down to its very foundation. Before, this meant that many enterprises did not have access to foreign exchange, which was regulated by the plan. Now, in effect, any enterprises that have korunas can request imports and payment abroad, and, of course, they will sell all foreign exchange income to the foreign exchange banks or, let us say, the commercial banks in Czechoslovakia. In other words, there is total freedom in trade, and it will depend on how many korunas the enterprises have at their disposal, that is, what will limit their access to foreign exchange.

[Kalicky] (?We need) enterprises. What do we mean by that?

[Tosovsky] Legal people in this country. In other words, physical people, or Czechoslovak citizens, do not yet have access to convertibility, notably, shall we say, for the purposes of tourism. There we must still limit their purchases, and for next year that is about 5,000 korunas, or 7,000 korunas for someone who this year did not use his entitlement for 2,000 korunas. Our foreign exchange position does not allow us to liberalize this approach for them, too.

[Kalicky] Will the banks manage to balance the foreign exchange market? I imagine demand will be much greater than supply.

[Tosovsky] Naturally, there are specific currency measures here—the cost of the foreign exchange or the foreign exchange rate, but also interest rates, for example, and lowering or limiting demand for korunas in the economy. These korunas could boost the demand for foreign exchange, so I would say it is a matter of regulating the total quantity of korunas or korunas credits in the economy, simply so that any possible koruna surplus does not spill over into a demand for foreign exchange and, therefore, into some kind of large, unascertainable balance of payments deficit. In other words, we are taking this into account; naturally, it is very difficult, in particular, to estimate the initial pressures, but we hope that we will cope.

[Kalicky] Some deputies have described the bill, or some of its restrictive provisions, as jeopardizing economic freedoms.

[Tosovsky] My view is that this bill is overliberal. Some of its clauses give enterprises so much freedom that I am a little apprehensive about it. My colleagues and our colleagues abroad advise us not to let go of the reins, especially at this initial phase; to have levers in place and, if possible, administrative levers; and not to use them unless it is necessary. A number of countries and central banks, in fact, have regulated the movement of foreign exchange and the movement of capital, say, for tourism purposes. Austria, for example, did not have free exchange of Austrian schillings for the public until the end of last year. I think that it stems, to some extent, from an ignorance of the ability of our economy and our foreign exchange economy to ride out this difficult period. Personally, I would be glad if we could liberalize it further in the very near future, but that is not yet the case.

Federal Assembly Adopts Convertible Currency Bill

AU0412103190 Prague HOSPODARKSE NOVINY in Czech 29 Nov 90 pp 1, 8

["jop"-signed report: "Convertible Currency Bill Adopted"]

[Text] The government convertible currency bill, an amendment to the law on letting and subletting nonhousing premises, and elections of military judges—this was the agenda of yesterday's joint session of both Federal Assembly Chambers.

Vaclav Klaus, federal minister of finance, took the microphone again to explain the convertible currency bill. This time, his role was more complex because the signals coming from the committees in which the bill was debated were controversial. At one time, Deputy Vaclav Benda even moved that the discussion of this bill be postponed, but his motion did not pass. Comments by Deputies P. Bratinka, J. Stern, and B. Dolezal were aimed against the exaggerated state supervision. The deputies said that in its present form the convertible currency bill would discourage foreign capital from investing in Czechoslovakia. In addition, they attacked the stipulations limiting the rights of the citizens to handle convertible currency. They were of the opinion that these stipulations severely restrict travel abroad, deposits in foreign banks, etc. Vaclav Klaus expressed his surprise that such a radical liberalism is being voiced just now, that it did not appear at a more convenient moment. He objected to the claim that the law would make the conditions for foreign enterprise in the CSFR worse and pointed out that similar convertible currency measures also existed in the developed countries still in the early 1980s, which were at the time in a far superior position to that of Czechoslovakia at present. On the other hand, the bill supports internal convertibility, which is one of the fundamental requirements of the economic reform scenario. There was a very unhealthy phenomenon in our economy—double circulation, i.e., korunas and convertible currency—and the convertible currency bill fully supports the efforts by the enterprises to trade, produce, etc. using the koruna. The law permits temporary convertible-currency accounts for legal persons but the opening of these accounts would be regulated by granting convertible-currency permits. The final goal—full external convertibility of the currency—is unrealizable at this time. Nevertheless, the bill in its new form is far more liberal than its predecessor. Reporters for the joint session M. Posluch and V. Filip, recommended adopting the bill, and motions by the deputies proposing changes were rejected one after another. The convertible currency bill was adopted, although the number of abstentions was unusually large.

Lubos Dobrovsky, CSFR minister of defense, moved that Colonel Miroslav Veverka, LLD., who was rehired this June, be elected professional judge for the military collegium of Supreme Court of the CSFR. In 1970 he had to leave the Army for his stand on the occupation of 1968. Furthermore, 13 professional military judges were elected on the proposal of the minister of defense. Reporter V. Parkanova informed the deputies about the way the Defense and Security Committees became acquainted with the proposed candidates (personal interviews) and how they were screened (vetting). Only one of the candidates had not been a member of the Communist Party of Czechoslovakia in the past, but since the results of the vetting were negative, and other features of these persons have not violated the requirements of high professionalism and moral impeccability, Parkanova recommended their candidacy. The debate on the amendment to Law 116/1990 on letting and subletting the non-housing premises was the smoothest. An initiative group of deputies represented by J. Doksansky explained the need to amend the law by pointing out the necessity of dealing with the security of disabled citizens. The already adopted law is being transformed to Article 15, which in its amended form better protects renters of non-housing premises used for job retraining and the employment of disabled citizens. The amendment was adopted without any major comments.

Klaus Comments on 1991 State Budget

AU0512132990 Prague ZEMEDELSKE NOVINY in Czech 1 Dec 90 p 1

["jsm"-signed report: "The Federal Budget Is Here"]

[Excerpt] From the beginning of next year, our leap into economic reform will shake the social guarantees and habits of life, Minister [of Finance] Vaclav Klaus told journalists in the late afternoon yesterday, during an intermission of the Federal Government session.

By that time the government had already approved the draft state budget of the federation for 1991. As Minister Klaus stressed, social expenditures are the only item of the budget which shows an increase against this year. To be more precise, not social expenditures in general but so-called transfer payments, i.e. means which are allocated to individuals in a direct way. These payments represent a total of 27 billion korunas. Unemployment benefits account for 8.5 billion of this sum; compensation offsetting the increase in energy and heat prices for 7.5 billion (only the socially weak strata will be able to claim this compensation, however); almost 11 billion korunas will be available for the indexation of social payments, including pensions, according to the growth in the cost of living; and court rehabilitation will cost 1.5 billion korunas. All these are completely new items which never figured in the state budget in the past.

All other expenditures in the 1991 budget will decline in comparison with the previous year. This applies, for example, also to spending on science and research and to state defense expenditures, which will be 10 percent lower.

The minister of finance also explained the significance of the formula which will determine the proportions between the budgets of the federation and the two republics. This formula is as follows: 35 percent of revenues for the federal budget, 40 percent for the budget of the Czech Republic, and 25 percent for the budget of the Slovak Republic. There never were any arguments about one-half of the aggregate revenues of the state budget. Only the second half of these revenues, totalling about 216 billion korunas, which represents the sum total of the turnover and profit taxes, was disputed. But because the above formula eliminated the territorial principle, it also did away with the endless calculations about how much was produced in one republic but sold in the other and which republic profited from, or lost on, which type of merchandise. Although the formula had been accepted by all three sides, it must be regarded as very fragile and, in our judgment, it may be yet subjected to all kinds of pressures in the future.

Among the main merits of the approved budget (which an IMF commission appreciated as well prepared, which is one of the conditions for the extension of an IMF loan) are the elimination of subsidies for the budgets of the republics, the possibility to react to risks of development by means of the creation of budget contingency reserves; and the aforementioned increase in social expenditures. [passage omitted]

Hoffmann on Economic Changes, Society's Anxieties

AU2911180990 Bratislava VEREJNOST in Slovak 26 Nov 90 p 3

[Interview with CSFR Minister for Strategic Planning Pavel Hoffmann by Ivan Garcar; place and date not given: "Do You Trust Economists?"—first paragraph is VEREJNOST introduction]

[Text] The decline in the population's standard of living is causing mistrust in the new economic changes. Recently, Federal Finance Minister Vaclav Klaus has again—in the manner so typical of him—been warning enterprises, institutions, and also individuals via various mass media about the new impulses of the "shock therapy" used in the transition to a market economy. He has clearly indicated that each of us has to be aware of his essential role in eradicating the repercussions of this treatment. He is not the only one endeavoring to propagate accelerated economic reform. Recently, Pavel Hoffmann, federal minister for economic strategy, did the same thing. I met him while he was visiting Central Slovakia and asked him a few questions.

[Garcar] The population's attitude—at least, according to reactions and questions asked at meetings—results from anxiety about a lower standard of living. How do you evaluate the problem?

[Hoffmann] The questions asked by participants in meetings unequivocally indicate those areas of immediate concern to people. There are anxieties about the social consequences of the changes. We have to explain to people that every pseudosocial policy that has not led to change in our system will not solve their problems. As long as they themselves are not convinced of this, they will not accept the fact that what we are doing now is necessary. It is necessary to convince them that if we were now to make social changes which—in fact—society cannot implement, we would not help them and, apart from this, we would impede the transition toward economic changes. In my opinion, this is the cardinal issue in the government's attitude toward citizens.

[Garcar] In your opinion, what kind of trust does the population have in the government at the moment?

[Hoffmann] I think the nation is willing to believe the government, but much more time is still necessary on our side to explain our intentions. The main thing will be to achieve specific results as soon as possible indicating a change for the better. Therefore, I believe that a slow course of action is not viable.

[Garcar] However, antipathy about and mistrust in the accelerated and too sharp "incision" made by Klaus in our delicate economy—which mainly has an impact on the middle and lower sectors of society—have been on the increase recently.

[Hoffmann] I am convinced that if we are successful in making a quick transition toward the market economy and that if its effects are also felt quickly, it will be much more effective than if it were a long-term process. The nation urgently requires some encouragement. When we say that we will try to deal with this process in one to 1 and one-half years, this is—after all—rather different than if we were to say 10-12 years. This alternative is also more acceptable from the population's psychological point of view. Therefore, I am a supporter of Klaus' policy.

[Garcar] The mood at the above-mentioned meetings where Mr. Hoffmann was asked questions such as "How will we manage to survive?" was reminiscent of a barometer needle clearly indicating that many of us are committing ourselves more to anxiety than to the idea of actual self-realization. We do not want to take anything away from an individual's timorous view of the future. It is, to say the least, justified. However, let us at least try to consider how we are facing the new conditions and how we are utilizing all our capabilities and all our brain power to overcome the worst in the near future. I am convinced that a hard-working, sensible, and resolute person expects a difficult life, but not an insurmountable one.

Prague Spring Leading Figure Interviewed

AU0412135290 Prague CTK in English 1804 GMT 1 Nov 90

[Text] Prague Dec 1 (CTK)—Czechoslovakia can return to Europe and to the world scene only if it ably combines mastering of democratization and transition to a market economy with defending and asserting its interest abroad, Cestmir Cisar, a prominent figure of the 1968 "Prague Spring" revival process, said in an interview for the weekend supplement of the left-wing daily RUDE PRAVO.

In this connection, the adviser to Czechoslovak Foreign Minister Jiri Dienstbier warned against succumbing to inferiority complexes and called for productive effort to be displayed in all spheres. He thinks that the view of Western experts that "our evaluation of the totalitarian heritage as 'complete devastation' or 'fall into an abyss' is rather a concession to period anticommunism, than a sober analysis of reality" is not entirely false.

In connection with foreign response to various skirmishes around the future of the Czechoslovak federation and to nationalistic passions, Cisar said the west considers them to be senseless and hampering the main tasks: democratization and transition to a market economy. He said that Czechoslovakia could learn a lot in various fields from Spain.

In connection with Germany's unification and the possible threat of the country's economic domination in Czechoslovakia and also political influence, Cisar said that if Czechoslovakia maximally mobilizes its own resources and uses them effectively in the process of economic integration of a broader region and later the all-European Community, it can reach external economic balance and relative independence in decision-making on its own future. A positive role in this can be played also by the planned new Czechoslovak-German treaty which will put a full stop to the past and open up the road towards mutual friendship, understanding and cooperation.

In this connection he said that it would be unreasonable to replace the former unilateral orientation on the "fraternal countries" with another one. He noted that it would be at variance with Czechoslovakia's interests to abandon relations also with African, Asian, and American countries, inherited from the past.

He paid special attention to the Soviet Union which will in his view remain a big power even though in a new, different form, and which cannot be left out in reconstruction of all Europe. Though Czechoslovakia's former political dependence on it has disappeared, economic dependence, which is not small, still prevails, and is to a certain degree bilateral.

But economic relations must be developed in a new way: in addition to the Moscow center, also with Soviet republics, and regions. New contacts are necessary also in culture. What is true of the Soviet Union, is true also of Poland, Hungary, and other countries of Central and Eastern Europe, Cisar said.

Asked what he thinks of the idea of Czechoslovakia's neutrality, Cisar replied that in a new, peaceful and cooperating Europe the degree of threat declines and neutrality or nonalignment turn into active participation in the positive process of integration of the continent. According to him, Czechoslovakia's development would be neither facilitated nor impeded by the adoption of the neutral status as the decisive element of the country's present position is independence from any bloc and purposeful involvement in international relations, including European integration.

Pacifists Hold General Assembly, Adopt Program

AU0412162390 Prague HOSPODARSKE NOVINY in Czech 3 Dec 90 p 8

[Text] CTK—The Czechoslovak Pacifist League adopted a program at its general assembly held in Prague on Saturday [1 December]. The program asserts the right of every CSFR citizen to freely decide to refuse basic military service without having to perform alternative service. According to the pacifists, this is the only democratic possibility for establishing a professional army.

Meciar News Conference on Federal-Slovak Ties

LD0512051290 Bratislava Domestic Service in Slovak 1805 GMT 4 Dec 90

[Report on news conference by Slovak Prime Minister Vladimir Meciar in Bratislava on 4 December with domestic journalists; from the "Radio Journal Extra" program presented by editor Alica Bielikova—recorded]

[Excerpts] [Bielikova] This morning the government, in the presence of Slovak National Council Chairman Frantisek Miklosko focused its attention on two special items—the Federal Assembly's adjournment from deliberations on the so-called power division bill which we discussed in a live relay from the Federal Assembly and discussion on the dispute between Slovak and federal representatives. Consequently the first question for the prime minister was worded as follows: Has the Slovak Government Presidium received a reply from the Federal Government presidium on Minister Vladimir Dlouhy's television pronouncement?

[Meciar] I am sure that we have not received any and I regret this. A press conference was held where journalists and the public were notified, but the Federal Government did not consider it necessary to convey this standpoint to our government. We also regret—and this report has not been confirmed yet—that the Federal Government identified itself with the Slovak Government's evaluation. The whole thing is all the more piquant because this is a coalition government in which from the Slovak side sit members of the very same political movements as those represented in the Slovak Republic Government. And this provides food for thought and for various combinations of ideas. But we do not have much time for this because we have a job to do.

[Unidentified correspondent] You spoke about budgets. What then is the situation with regard to our budget?

[Meciar] Our budget is restrictive. This means that the planned expenditures and subsidies are being reduced in all spheres. We will have to think over the future shape of state subsidies. So first and foremost as far as the enterprise sphere is concerned we agreed that subsidies to nonproductive enterprises will be cut. We will simply have to let enterprises go under which will not be able to make ends meet and show in a short space of time promise of improvement. Subsidies are being tailored specifically for education, the social sphere, health care, and all other spheres so that we will be able to ensure a standard which must not be worse than last year's. On the contrary, we must also provide for some improvemements, especially in the social sphere.

When discussing the budget we also discussed the duties of ministries active in creating budget revenues because irrespective of what we want, the budget will be affected next year by inflation, price fluctuations, and by the lack of clarity in creating profits. We assumed that already in the first quarter the revenues created would be five percent below last year. However, should the contrary materialize additional funds will be provided and we will be pleased to distribute them.

[Unidentified correspondent] So far the division of power issue has not been resolved but the budget is already being discussed. What is the connection between these two issues?

[Meciar] While the budgets are being drafted it is assumed that the division of power law should be adopted roughly in the shape in which it was submitted. In the meantime the draft budgets of the governments are being elaborated. They may be amended while going through legislative corps. Therefore a connection between the two does exist. The difference is that we assume that beginning 1 January next year each republic will run on its own steam. Due to the well-known disputes which developed on budgetary income and to the sections of the income which were calculated twice—I reiterate that the Slovak Republic did not violate any agreement on this although criticism is targeted at us—we got into a situation where we will have to come to terms somehow with the fact that a certain proportion of income is again being centralized and redistributed. The income from some industries will therefore be created and distributed in this way.

I am convinced that during 1991 we will manage to find a mechanism which will render this issue just in 1992. In our view, in the shape in which it was drafted the federal budget could contain certain reserves. We are convinced that Federal Assembly deputies will locate these reserves during their session. The funds earmarked for distribution should be used evenly among the population. For example, they contain reserves of 140 korunas which are per capita subsidies for the population. There will be other funds to level prices movements and so on. These should be effectively used for both parts. A ban on the majority is in force while budgets are being drafted. In this respect the activities of our deputies in the Federal Assembly is acquiring a new importance. They should be able to understand the requirements and truly defend them.

[Bielikova] You probably know that the radio, we, are on strike alert and that the question of passing the law on radio is in fact a question of whether or not the radio will exist. What is your view of the fact that the discussion and approval of this bill is being continually put off?

[Meciar] I understand the current situation and you know my views, which have remained unchanged since the very beginning. We agreed that all three prime ministers would meet by 10 December and try to find a solution for the mass media. The point is that this is not a matter for the radio. Radio must exist as a public state institution and must serve everyone. This is a conceptual matter because at issue here is not whether or not there will be federal broadcasting, but whether we should expend further dozens of millions of koruna on building new systems or, whether through its actions the Federal Government will be able to make effective use of the existing ones now. I would not like to link this [word indistinct] until the power division laws are resolved, with these issues. But we definitely do not want to leave this problem dormant. After we have completed a sequence of actions we will get down to it and find a positive solution.

[Unidentified correspondent] About two weeks ago you said that as the issue of distribution is very unfavorable for Slovakia in comparison with Bohemia, you would carry out specific measures targeted at the staff of the Ministry of Trade. Have you carried them out?

[Meciar] The concerned staff were consulted and an agreement was reached with the minister on certain systemic measures on which he and I are working independently. A better description of our work is mutual coordination so that we can ensure a sufficient supply of goods to the Christmas market, because the goods do exist. The question is whether we purchase it for dollars. We can do this if we have them or if we buy them by exchanging goods. We have found a solution to this problem too. For example, at the moment we are waiting for Yugoslavia's consent to exchange goods. If it is granted then we should obtain from them 50,000 tonnes of sugar and 5,000 tonnes of oil, I think, which would meet out basic requirements. There is enough flour in Slovakia. We do not have packaging, but its delivery is also being negotiated so that flour will be efficiently supplied. [passage omitted]

[HOSPODARSKE NOVINY correspondent, in Czech] I think that the whole process from Trencianske Teplice right up to Hrzan Palace in Prague was a process of certain catharsis for society in terms of our internal relations. Do you share this view?

[Meciar] Nothing else was at issue. The point was to render relations between Czechs and Slovaks orderly, mutually accountable and economically advantageous. The red tape would disappear and so on. Even in the present situation I do not believe that the interests of a Czech worker or farmer differ from that of a Slovak one. I do not believe that either of them would consider correct the principle that what is produced and consumed in Slovakia should not be consumed there, since we recognize that the same principle should be valid in Bohemia. So what is happening constitutes more or less the assertion of personal ambitions and ideas of certain politicians who then, through degrees of demagogy and the distortion of reality, posed the question as if it were a Slovak-Czech conflict at issue.

This is not a conflict of citizens of this or that republic. This is a conflict of ideas and views of politicians on the way to setting up this state. I would like to say openly that they do not propose the image of the federation in which we would like to live and which we consider just for both Slovaks and Czechs. We fear that those who keep turning down this concept might at the same time turn down the federation. This is what it could lead to.

[HOSPODARSKE NOVINY correspondent, in Czech] Allow me to ask another question. The Federal Government yesterday adopted the process of compensation in connection with court rehabilitation. Mr. Kocarnik, deputy federal minister [of finance], said that there are no funds for this. It is a question of about 5 billion korunas and a little more than 2 billion in debentures. He also said that as taxpayers we will have to give our consent whether or not this should be paid out. This then concerns all of us, all citizens, does it not? Are there plans for a referendum, or what are the ways of expressing our approval or disapproval?

[Meciar] No, no referendum is planned. The question of court rehabilitation has been unequivocally determined by the law. These people lost years of their lives and all we are giving back to them is a compensation payment, or in other words very little for all they had to endure in their life and what they unnecessarily suffered. Since we are discussing the payment, then the fact is that the shortage of funds does exist and it is not possible to make payments to everyone. [passage omitted]

Former Federal Minister Discusses KGB Agreement

LD0112170190 Prague Television Service in Czech 2140 GMT 30 Nov 90

[Telephone interview with Dr. Richard Sacher, former federal minister of the interior, by Bransilaw Zhora; date and place not given—recorded]

[Text] [Zhora] Tomorrow's ZEMEDELSKE NOVINY will publish an article entitled "Does Exchange of Information with the KGB Continue?", a substantional extract of an agreement on cooperation between the Federal Ministry of Interior and the Soviet Committee of State Security, the KGB.

The agreement, signed in Moscow on 27 February this year, covers among other things an exchange of information on state security, training of our experts in KGB courses, and the presence of KGB representatives in Prague.

We phoned Dr. Richard Sacher, former federal minister of the interior and the man who initialed on behalf of Czechoslovakia the agrement with General Kryuchov, the KGB head, and asked him about the details of the agreement.

[Sacher] Sacher here.

[Zhora] Good evening. We are from Czechoslovak television's "Events and Comments," editor Branislav Zhora speaking. Sorry to disturb you, but could we ask you about one important thing?

[Sacher] Yes, please do.

[Zhora] Tomorrow's ZEMEDELSKE NOVINY will publish the content of an agreement you are said to have signed with the Soviet intelligence service, the KGB, in February.

[Sacher] Yes.

[Zhora] Could you tell us something about the agreement, please?

[Sacher] Are you recording our conversation, or should I speak slowly?

[Zhora] We are, but you can also speak slowly.

[Sacher] Look, one of my first steps was to adjust the relationship between the Ministry of Interior and the KGB to an appropriate form. In the middle of the past year General Lorenc concluded an agreement with the KGB on behalf of our State Security forces. This agreement, however, did not adopt the fact that we are two sovereign states. In essence, State Security assumed in the agreement the form of some sort of a KGB department.

This was not acceptable to us and because the conditions in our country changed it was, of course, necessary to change this agreement. That was why I met a KGB representative in Prague immediately after taking office, and we agreed—I told him—that it is necessary to change the agreement in such a way that it will correspond to the changed conditions. Regarding this issue, I sent Mr. Ciklamini and Dr. Prusa to the Soviet Union. We took a clear position that the text of the agreement has to correspond to the sovereignty of both states.

I think the agreement we concluded is a good one. There is nothing illegal in this agreement. The president, Mr. Kirzan, Foreign Minister Dienstbier, and Mr. Calfa were informed about this agreement. The agreement also took into account my talks with Mr. Baker, the U.S. secretary of state, and was also supposed to create certain conditions to make Czechoslovakia eligible for the most favored nation clause. If Czechoslovakia was to hand over the technologies and goods that were either embargoed or received from the third countries to other countries, then the United States would never adopt this clause.

This is why the agreement covers cooperation only in the field of general crime, terrorism, drugs, and so on.

It excludes what the previous agreement covered, that is, cooperation in the political sphere aimed against so-called enemies of social order, of the communist order, and so on.

We signed this agreement in Moscow when I was a member of our delegation there, when the president, Mr. Vacek, me, and I think somebody else—Dienstbier and Dlouhy—were there. It was in fact the first agreement signed after the declaration, which in fact was formulated on board our plane when we flew there. It was the declaration on mutual relations between the Soviet Union and our country, that only the agreements fully respected sovereignty of the countries are to be adopted.

This agreement, respectively the text of this agreement, was presented also during my visits to the FBI and CIA, to the British interior secretary, Italian Interior Minister Gava, the West German interior minister—assuming that the text of the agreements to be concluded between our Ministry of Interior and these ministries of interior or security forces would be the same. It was because I considered it to be necessary and useful.

We intended—and I also told the president that it would be a good idea—to have a newspaper publish this agreement with the KGB on one side and an agreement, for example, with the CIA on the other side, both having the same text.

Nevertheless, those agreements with the CIA, FBI, and Italian or British security services were not concluded during my term of office.

[Zhora] Dr. Sacher, you concluded this agreement with General Kryuchkov, chairman of the State Security Committee of the USSR, and it is supposed to be valid for five years. Can you tell us at least roughly if its content includes also something different from similar agreements concluded in the past, that is, an exchange of information on state security, training of our employees in the KGB courses, or the presence of Soviet KGB representatives in Prague and the presence of representatives of the Federal Ministry of Interior in Moscow?

[Sacher] Look, there is one thing there. In the past the KGB members could more or less move freely throughout our territory, and nobody knew how many of these people were in fact moving around. We specified and clearly stated that six members of the Soviet service will be allowed to work here, and they have to be officially accredited by the Ministry of Foreign Affairs of the Soviet Union to the Soviet Embassy in Prague. Equally, our side then has the right to have six people to be officially accredited to our embassy in Moscow. Do you understand? This means reciprocity, six people and that is it. Any seventh person involved in this kind of activity is considered to be a spy.

[Zhor] Thank you very much for your information. And the last question, can we use it?

[Sacher] You can use anything I have told you.

[Zhor] Thank you, good-bye.

[Sacher] Good-bye.

Havel Receives Message From WWII Soldiers

LD0412182190 Prague CTK in English 1524 GMT 4 Dec 90

[Text] Prague Dec 4 (CTK)—Czechoslovak President Vaclav Havel received here today together with Lieutenant-General Ladislav Tomecek, head of the presidential military office, veteran soldiers of the 2nd World War who fought at battlefields of the Western Front.

Many Czechoslovak soldiers who left the country after the 1939 Nazi occupation fought in France, Great Britain, Italy, Africa and the Middle East to regain Czechoslovakia's lost independence. After the 1948 communist coup a great number of them were sentenced to long prison terms, dismissed from the Army and some were even executed.

Soldiers who fought at the Western Front handed to the Czechoslovak president a message stressing that they are ready to contribute to the democratic development of the Czechoslovak state also nowadays.

Havel Tours E. Slovakia on Working Visit

Answers Questions in Bratislava

LD0112044290 Bratislava Domestic Service in Slvoak 1730 GMT 30 Nov 90

[News conference by CSFR President Vaclav Havel, Czech Prime Minister Petr Pithart, Slovak Prime Minister Vladimir Meciar, and Czechoslovak Interior Minister Jan Langos with unidentified reporters in Bratislava on 30 November—recorded]

[Text] [Announcer] As already reported today, Czechoslovak President Vaclav Havel began the second day of his working visit to Slovakia by touring an exhibition of contemporary Slovak art at the Slovak National Gallery in Bratislava. This morning he took part in a meeting of the Slovak National Council's Committee for Nationalities, Ethnic Groups, and Human Rights where, among other things, he summarized his visit yesterday to East Slovakia, with particular reference to the problems of Romanies in that region. The discussion dealt, above all, with relations between the Czechs and Slovaks.

Another feature of President Vaclav Havel's two-day visit to Slovakia was a private lunch given for him by Slovak Prime Minister Vladimir Meciar. It is beyond doubt that, under the pressure of developments in the last few days, the lunch would turn into a working one. Also invited were Czech Prime Minister Petr Pithart and Federal Interior Minister Jan Langos, who stood in for Marian Calfa who is away. Only a few journalists—Radio Journal was represented by Michal Tvarozek—had the opportunity to wait until the lunch ended and put a few questions to the president and the prime ministers of the two republics.

Logically enough, the first question was how Vaclav Havel assessed the current internal political situation, and whether the meeting with the two prime ministers had helped to bring closer together the conflicting views of the republican and federal governments.

[Havel, in Czech] The surface of political life in our country is in a constant state of turbulence, not only today, and it will continue to be in this state for some time yet, because, after all, we are rebuilding the entire state. We have overthrown one system and we are building another, we are struggling with the vestiges of the old one, so this turbulence in itself does not shock or surprise me in any way—it is a permanent feature.

As far as the atmosphere of our talks is concerned, they were very friendly and very specific and we tried to make a sort of summary of the matters on which all of us—the prime ministers of the two republican governments, myself, and Federal Interior Minister Jan Langos who is representing the Federal Government because Mr. Calfa, as you know, is in Germany—agree. We agreed that there appears to be unity on the power-sharing bill, and now it only remains for it to be adopted by the Federal Assembly, and to that end we will exert as much influence as we can on the Federal Assembly and its deputies—both National Councils have passed it. There appears to be unity on fundamental issues of the constitutional document setting out rights and freedoms. We all want the wording of this to be finalised in a way that everyone, as far as possible, will agree with, in other words all three parliaments above all, and it would be a good thing if it could really be adopted on 10 December, but, if it is not adopted, it will not be the end of the world nor even the republic.

We also agreed that on what appears to be the most talked-about matter in the last few days—the oil and gas pipelines—we ought to exert efforts to not make this develop into a political, psychological, moral, or nationalist problem, but to really bring it forward to practical talks on what is most productive for all the people of this federative republic. We also agreed that no one has an interest in having the profits from those networks divided in an unfair way, as was the case in the past or, and this is perhaps even worse, divided in a secret, unscrutable, and incomprehensible way. On that there is complete agreement.

What still remains unresolved is the actual management structure of those networks—whether it should be a single joint-stock company with the state holding some of the shares corresponding to the extent of the networks and the equipment in the individual republics, or whether there should be two joint-stock companies in a single consortium, or whether there should be some other model. We agreed that we would exert efforts to continue to have this understood, despite all the explosions of emotions and everything associated with them—understood as a specialist and technical matter.

Now, what else did we agree or fail to agree on?

[Unidentified speaker, in Czech] On the budgets.

[Havel] We agreed that the budgets have been worked out. That is another thing we agreed on. Is there anything we did not agree on? [laughter]

[Reporter] Do you think that the next time you come to Slovakia the atmosphere will be calmer?

[Havel, in Czech] No. The atmosphere will continue to be turbulent not only in Slovakia but in the Czech lands, too for some time yet because we are going through a truly difficult period of transformation; all kinds of problems are cropping up and will continue, but we will ride it out.

[Pithart, in Czech] I suggested very strongly that we tackle the problems that are arising one by one, and not all at the same time. Yesterday the Czech National Council spent 10.5 hours discussing the power-sharing bill. I think that if this had not taken place against the backdrop of the problem of the budgets which has sort of flared up again—they did not know then that the matter was resolved—and the problem of the oil and gas pipeline networks, it would not have taken 10 hours, it would have been over in a few hours as was the case in the Slovak National Council. So I voiced a wish here, and I think we agreed that we will try to tackle the problems one by one and not two or three at a time.

[Havel, in Czech] we sort of agreed, or semi-agreed, that we would not present one another with too many surprises, and I said something that I think won the agreement of both prime ministers or at least they did not make any marked objection to it, and that is we should finally put an end to this long drawn-out kind of pseudophilosophical, pseudopolitical problem of whether the federation should delegate something or other to the republics or vice versa; we should stop philosophizing because it is all beginning to be a bit academic, we have all gotten mixed up in it in our own ways and we really ought to be talking about more practical things, about the specific division of powers. There will be much less hotheadedness and much less fuss if we can talk in a factual way instead of indulging in this kind of philosophizing which has already become a sort of stereotype, and it has already begun to become rather empty. Originally it was probably correct that this question was raised, because it is basically a matter of the constitutional set-up, but now it has become a bit of a cliche.

[Reporter] Am I to understand the president's words that you no longer wish to present one another with surprises to mean that, for example, there will no longer be the sort of speeches made by Mr. Pithart or Mr. Dlouhy on television?

[Pithart, in Czech] This refers not only to me and Mr. Dlouhy, it also refers, I think, to Mr. Meciar, of course. We have made this clear, and now it will depend on how we succeed in applying it.

[Havel, in Czech] The element of surprise is part and parcel of a fruitful political life. People are always going to give someone the odd surprise here and there, but we do not want to present one another with too many surprises in matters that are truly fundamental. People who are supposed to have a sort of understanding, or do have that understanding, ought not to surprise one another, and particularly, it seems to me, surprise one another unnecessarily in such a way whereby we explained the surprise to one another earlier and are in agreement, but the public spends the next fortnight worrying about it.

[Meciar] One of the things that we took care of and resolved today is a mechanism that can assist us. If only we could have lunch together like this once every week—I am getting hungrier with every day! In any case more frequent meetings will be essential to ensure that communication is two-way and that this link exists. The existing mechanisms are not very conducive to this, and if the official structures cannot agree, then it is referred up to the top officials and all of us work with the source of information available to us.

The conclusions, in the sense of the standpoints we had hitherto, are positive: we have agreed to establish a method for managing the oil and gas pipeline networks; we will recommend that a new commission of experts be set up to start this work again and present the governments with a solution that suits both of them. The main bone of contention was the matter of generation of revenue—the revenue for the republican budgets for (?1991). That appears to have been removed, and we agreed that we will do everything to ensure that rules are drawn up for 1992 that will rule out these kinds of surprises on either side.

[Reporter] Yesterday the Slovak Government Presidium wrote to the Federal Government Presidium asking whether it was a private initiative by Mr. Dlouhy, in other words his personal standpoint, or the standpoint of the government. Do you know the repsonse, or what response is being prepared?

[Meciar] No, we do not know this standpoint nor do we know what the response will be. Let us wait and see.

Sums Up Impressions From Trip

AU0412111490 Bratislava VEREJNOST in Slovak 30 Nov 90 p 3

[Interview with CSFR President Vaclav Havel by Andrej Javorsky; on board the presidential plane on 29 November: "The President's Three Stops"]

[Excerpts] [Javorsky] Mr. President, the program you underwent in East Slovakia could be characterized as economic-industrial (in the Prakovce heavy engineering plant) and historical-cultural (in Levoca). On your third stop, during a meeting with Romany fellow citizens in the Spis area, you had a serious social problem on the agenda of your visit. How would you briefly sum up your impressions from these three stops in East Slovakia?

[Havel] The least problematic stop certainly was the visit to the St. Jacob's parish church in Levoca. I had not been there before, and it really is a magnificent gem. [passage omitted]

The two other items on my agenda were more problem-ridden.

[Javorsky] Let us consider the visit to the Prakovce heavy engineering plant first.

[Havel] The visit provided me with a possibility of confrontation. It was not the first such opportunity, I had been to Martin, for example, before. Prakovce was thus another confrontation with the problem of conversion [from military to industrial production] in practice. It is apparent that a very difficult period is in store for us in dealing with this issue because these factories were totally unprepared for the possibility of peace breaking out one day and there not being any interest in tanks. A comprehensive program will have to be worked out to help bridge this transition period. Obviously, this transition will mean something else for each factory because each of them is in a slightly different position. The Prakovce heavy engineering plant is among those which are worse off because it manufactures intermediary products and the impact of the conversion will make itself felt later than in the case of the final assemblers of arms industry products.

[Javorsky] Your third stop in East Slovakia will undoubtedly arouse great attention and response, not only among the Romany population....

[Havel] This really is a great problem. I deliberately visited the Romany colony at Letanovce accompanied by mass media representatives to allow our fellow citizens to learn how their other fellow citizens live. Hardly anyone who does not live in the immediate vicinity knows that there are "villages" in Czechoslovakia that look like backward shantytowns in Nicaragua, Brazil, or somewhere in Africa. We discussed this problem with many officials. At this moment I do not have any ready made recipe for dealing with it. I am confident, however, that the most badly needed small-scale corrective steps can be taken immediately by the new local representative bodies. I am thinking of routine things such as making sure that the bus stops at the Romany colony at Letanovce and the like. This is not a conceptual solution, however. The concepts will yet have to be worked out. Of course, the best thing would be to raze such colonies to the ground and build new villages in their place with brick houses, running water, drainage, and electricity. However, all this costs an incredible amount of money, which the state does not have. Moreover, there is the question of what these houses would look like after a year or two. Most probably, one will therefore have to start with education. Much greater attention must be devoted to these people, who must not be treated as some inferior caste and moved as far away as possible from normal "white" villages. The parish priest at Letanovce who regularly visits the Romany colony, enjoys authority among its residents, and performs some sort of modern missionary work could serve as a model. On the other hand I would not like to create the impression that we will do nothing but educate the Romanies and, otherwise, let them live in mud. It goes without saying that investments are needed. The support of the Romany Civic Initiative, which has quite many good plans, would perhaps help here. It is necessary to establish Stavrom [acronym formed by roots of the words "stavet"—to construct—and "Romove"—Romanies], a Romany construction organization that would enable Romanies to build their own houses. Some of them have already done so. We paid a visit to Spisske Tomasovce where there are Romany families that have built as many as five houses, one for each child. Romanies can be entrepreneurial and industrious. Apart from local self-administration bodies, their problems should be dealt with also by other institutions—the Federal Government, the Slovak government, and the parliaments. The aim of my visit to the Romany colony was not to offer a solution but to call attention to a burning issue.

[Javorsky] Well, then, welcome to Slovakia. You should really feel at home here because we believe that you are at home in Slovakia. What do you think?

[Havel] I have already said it several times that I feel good in Slovakia and like to come here. But even if I did not feel good here and did not like to come here, [I would still come because] I am the federal president and represent this entire state.

[Javorsky] Mr. President, thank you for the interview.

CTK Reports Diverse U.S. Economic Aid

AU0412163490 Prague CTK in English 2013 GMT 30 Nov 90

[Text] Prague Nov 30 (CTK)—Czechoslovak and U.S. officials discussed here today U.S. assistance to Czechoslovakia which should gradually reach the level of U.S. aid provided to Poland and Hungary.

The Czechoslovak delegation was led by Deputy Foreign Minister Zdenek Matejka, the U.S. delegation by Deputy Secretary of the Treasury John Robson and State Department Coordinator J. Barry.

The U.S. side promised consultation in preparation and introduction of economic reform and privatization, in environmental protection and promotion of private enterprise. Special attention in this connection was paid to the preparation of the 60 million dollar Czechoslovak-American enterprise fund promised by President George Bush during his November 17 visit to Czechoslovakia. The fund is to promote private enterprise and development of privatized enterprises in Czechoslovakia.

The U.S. side also offered consultations in building state administration, in the legislative sphere, development of the mass media, and education.

It was also agreed to conclude soon an agreement on scientific- technological cooperation.

Calfa Interviewed

LD3012223590 Prague Television Service in Czech 1855 GMT 30 Nov 90

[Interview with Prime Minister Marian Calfa by an unidentified reporter on 30 November; place not given; questions are in Czech and Calfa's replies in Slovak—recorded; carried on the "Ten Minutes With The Prime Minister" program]

[Text] [Reporter] It is 1600, and you returned from your trip to Germany one and one-half hours ago. I open with a question that has been alarming our public for some time now, it is the question on relations to the Sudeten Germans, the question of apology, and above all the question of some kind of financial settlement. Can you tell us what you achieved regarding these issues?

[Calfa] The Bavarian side, already before my visit to Germany, expressed a wish, if we could during this visit to Bavaria, to meet the representatives of the Sudeten-German Landsmanschaft, namely, Mr. Neubauer, who is its chairman. He is the state minister. We agreed to hold talks, and they took place yesterday evening. I explained to Mr. Neubauer the Czechoslovak stance, which, in substance, is that Czechoslovakia does not intend to return, in financial questions, beyond 1948, that Czechoslovakia would like this entire sad history to be solved in a new state agreement with Germany. By the way, this proposal was in fact favorably received by both chancellor Kohl and the prime minister of Bavaria.

Mr. Neubauer understandably did not agree with this stance at all, that thought that there is a need to tackle this issue and not to close it, that the arrangement should not include this issue, that there is simply no need to tackle it. In substance, he had a certain idea that the property could be returned, that these people could return to Czechoslovakia. On this we totally failed to reach any agreement. That is why I would say that I presented our position, Mr. Neubauer expressed his own position, while I told him that we are going to discuss these issues with the Bonn government, providing they are going to be included in the agreement. I told him if they have a different view then no doubt the Bonn government would take it into account in its relations with the Czechoslovak Government.

[Reporter] The main purpose of your talks were economic issues, and therefore it would probably be interesting if you could tell us about the principal outcome of talks on economic problems.

[Calfa] Of course, there were many things we discussed with Chancellor Kohl, and also because at the Bonn trade and industry chamber—I would say several hundreds of entrepreneurs and representatives of the business world gathered—and Minister Dlouhy explained there our concept of economic reform. We answered a great number of questions.

I also met entrepreneurs in Bavaria, in fact, several times—Siemens and BMW representatives, as well as a group of bankers and other entrepreneurs.

I would say that generally there is an extraordinary interest in getting into entrepreneurship in Czechoslovakia, an extraordinary interest in Czechoslovakia itself. These entrepreneurs know Czechoslovakia very well, they know it in detail. They were very active already this year. One interesting and general feature that emerged in all our talks was that all of them noted that regarding economic issues, during the second half of the year we in Czechoslovakia began perhaps to devote our time to other things than to the really healthy founding of future entrepreneurship, that they keep putting forward offers, but nobody reacts to them, and that while they had already agreed on something and met their partners, these partners are being replaced by others. The truth is that in our country a process of changes, introducing new people, new structures, is taking place as far as economic management mechanisms are concerned.

Nevertheless, the basis of all this is perhaps that we have devoted rather a lot of time to the questions of division of power, redistribution of powers. They do not understand this issue at all as it is our internal political reality. One got the feeling that they think—they said it several times—that perhaps we are running out of steam in this field, and that in fact we are lagging behind in embarking on our economic reform, on new economic basis, because of spending time procrastinating, making decisions, and doing other things.

[Reporter] Mr. Prime Minister, you left together with Minister Dlouhy, and while you were away a new, so to say, scandal broke out—Minister Dlouhy, after talks in Zidlochovice, expressed his view on dividing gas and oil pipes, and the reaction of the Slovak Government, as well as all Slovak bodies, was very strong. Do you have any information on this affair?

[Calfa] Minister Dlouhy spoke to me during our stay in Germany. He explained to me the position he had taken, explained me the basis of his view. The Zidlochovice talks involved him and his two colleagues, respectively the colleagues from the two republics. They discussed the issues concerning oil pipes and gas pipes. The Slovak unequivocal stance was to divide them, and this stance was supported by certain way of reasoning about identifying the income which is brought in by running this equipment, on the Slovak territory and Czech territory.

Nevertheless, we have meanwhile adopted a certain joint decision, a compromise decision, but in my view a very good decision on the state budget—that in fact the turnover tax, as well as levies of profits, are to be directed to the same account on the level of the federation, and that they will be divided to the republics according to a scheme set up beforehand. Therefore, there is no financial reason for dividing the pipelines. Nevertheless, I would like to add on this issue that lately the members of the government have spoken on television, in mass media, have taken stances. Minister Dlouhy took a stance and Minister Knazko, for a change, took a stance on me. The reactions to these speeches are in my view rather out of proportion, and the whole situation should be assessed rationally and not emotionally.

[Reporter] Mr. Prime Minister, you, in fact, received our television crew while the government session is in progress. The deliberations concern the budget. What do you think will be the result of the deliberations?

[Calfa] The Federal Government was presented with a budget bill that was put together during rather a long and difficult process. You know very well that a few days ago it was even necessary to convene all the three prime ministers to discuss it in the presence of the minister of finance of all the three governments, and other officials. We discussed the budget as the philosophy on which the original budget bill was based, and allowed space for certain possible arguments, above all between the republics and between the republics and the federation. Therefore, we went through the experience whereby in the process of writing the sums in there was a need to reassess the original philosophy. We discussed it extensively, and in the end we agreed on a certain change of attitude.

The change of attitude showed that we agreed that those incomes which are the incomes of the federal budget will be put into one account. This means that we are not going to question which one of the republics sends how much money to the federal account. Instead, the turnover tax and levies on profit will, in fact, be put together on the same account, and the money from this account will be subsequently divided for use by the federation and the two republics according to a scheme set up in advance. The agreed scheme gives 35 percent of all the fund for the use of the federation, 40 percent for the Czech Republic and 25 percent for the Slovak Republic. As far as the total sum of the federal budget is concerned, we are thinking roughly about korunnas 108 billion.

I would like to say that it was rather good that we succeeded in adopting this principle, because it is the principle which removes a possibility of arguments between the republics, as well as between the republics and federation. All is flowing to one place. Therefore, it is the principle which has a distinctive integration character, a principle which is distinctively profederal, a principle that in fact binds us together.

The original principle was that a republic creates its own resources to use them, and something is handed over to the federation—in this way there was a possibility of certain arguments if the resources were not sufficient, or in the course of balancing incomes and expenses. Even cases of some kind of manipulations could have taken place within this system—and I would not like to speak about the cases we could call a trade war. Therefore, in my view, the Federal Government should discuss this budget bill and should appreciate this approach, and I am convinced that the Federal Government will do so.

[Reporter] Thank you for your interview. I wish you luck with the deliberations.

Foreign Ministry Official on Maghreb Relations

LD0112134490 Prague CTK in English 1122 GMT 1 Dec 90

[Text] Prague Dec 1 (CTK)—Czechoslovak Prime Minister Marian Calfa left here today for a two-day visit to Algeria, the first leg on his tour of North Africa, which will take him also to Morocco and Tunisia.

The journey is taking place at the invitation of the three countries' prime ministers and is aimed at expanding mutual economic and trade cooperation.

Before the Czechoslovak prime minister's departure for Algeria, CTK asked Director of the 5th Territorial Department of the Czechoslovak Foreign Ministry Zdenek Motalik to characterize Czechoslovakia's relations with the Maghreb countries and prospects of Czechoslovakia's cooperation with that region.

As concerns Algeria, Motalik pointed to the fact that Czechoslovakia and Algeria are now linked by an identical historical experience. Both states went through years of central command economy and the state policy of one party. Now both countries seek democratization of public and political life, and exemption of the economy from state control and demonopolization of the economy.

Mutual comprehension of the two countries' situation forms a basis for outlining possibilities of their economic cooperation. Czechoslovakia now strives especially for trade cooperation with Algeria, i.e. long-term purchases of strategic raw materials, especially natural gas. There are also good prospects for cooperation in home markets, Zdenek Motalik said.

He went on to say that Czechoslovakia views Morocco as a future important economic partner. Czechoslovakia appreciates the attention paid by Morocco to possible cooperation projects.

Czechoslovakia fully supports the Moroccan leaders' effort to solve the Persian Gulf crisis through peaceful means and appreciates that the two countries hold identical or close stands on settlement of hotbeds of tension in the world. It follows with understanding Morocco's course of action in solving the problem of the Western Sahara which respects fundamental U.N. principles, Motalik said.

Czechoslovakia will display effort for the two countries' relations be raised after a period of mutual correctness to a higher and mutually more advantageous level, the director of the Czechoslovak Foreign Ministry's 5th Territorial Department stressed.

Tunisia, too, is a prospective partner of Czechoslovakia, Zdenek Motalik told CTK today, adding that it is a traditional trade partner of Czechoslovakia and supplier of vitally important raw materials.

Moreover, the two countries are linked by friendship of a long standing that has never been breached. Czechoslovakia wishes to add to the two countries' relations a new quality and to help promote mutual knowledged, Motalik said.

In view of the fact that Libya is also part of the Maghreb, Zdenek Motalik spoke also about this country. He said that Czechoslovakia has taken into account placing Libya's foreign political stances on a realistic basis which has found reflection, inter alia, in normalization of Libyan relations with Arab countries. Czechoslovakia welcomes every step taken by the Libyan leadership that corresponds to the new spirit of peaceful international cooperation.

Czechoslovakia views Libya as an important economic partner with which it wants, just as the other European countries, to continue cooperating in spheres advantageous for both sides, Motalik said.

Prime Minister Calfa Visits N. Africa

WA0512192790

For CSFR and North African reportage on the visit by CSFR Prime Minister Marian Calfa to Algeria, Morocco, and Tunisia please see the ARAB AFRICA section of the 5 December Near East and South Asia DAILY REPORT and subsequent issues.

Calfa Discusses Trip to Germany

LD3012223590 Prague Television Service in Czech 1855 GMT 30 Nov 90

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[Calfa] Of course, there were many things we discussed with Chancellor Kohl, and also because at the Bonn trade and industry chamber—I would say several hundreds of entrepreneurs and representatives of the business world gathered—and Minister Dlouhy explained there our concept of economic reform. We answered a great number of questions.

I also met entrepreneurs in Bavaria, in fact, several times—Siemens and BMW representatives, as well as a group of bankers and other entrepreneurs.

I would say that generally there is an extraordinary interest in getting into entrepreneurship in Czechoslovakia, an extraordinary interest in Czechoslovakia itself. These entrepreneurs know Czechoslovakia very well, they know it in detail. They were very active already this year. One interesting and general feature that emerged in all our talks was that all of them noted that regarding economic issues, during the second half of the year we in Czechoslovakia began perhaps to devote our time to other things than to the really healthy founding of future entrepreneurship, that they keep putting forward offers, but nobody reacts to them, and that while they had already agreed on something and met their partners, these partners are being replaced by others. The truth is that in our country a process of changes, introducing new people, new structures, is taking place as far as economic management mechanisms are concerned.

Nevertheless, the basis of all this is perhaps that we have devoted rather a lot of time to the questions of division of power, redistribution of powers. They do not understand this issue at all as it is our internal political reality. One got the feeling that they think—they said it several times—that perhaps we are running out of steam in this field, and that in fact we are lagging behind in embarking on our economic reform, on new economic basis, because of spending time procrastinating, making decisions, and doing other things.

[Reporter] Mr. Prime Minister, you left together with Minister Dlouhy, and while you were away a new, so to say, scandal broke out—Minister Dlouhy, after talks in Zidlochovice, expressed his view on dividing gas and oil pipes, and the reaction of the Slovak Government, as well as all Slovak bodies, was very strong. Do you have any information on this affair?

[Calfa] Minister Dlouhy spoke to me during our stay in Germany. He explained to me the position he had taken, explained me the basis of his view. The Zidlochovice talks involved him and his two colleagues, respectively the colleagues from the two republics. They discussed the issues concerning oil pipes and gas pipes. The Slovak unequivocal stance was to divide them, and this stance was supported by certain way of reasoning about identifying the income which is brought in by running this equipment, on the Slovak territory and Czech territory.

Nevertheless, we have meanwhile adopted a certain joint decision, a compromise decision, but in my view a very good decision on the state budget—that in fact the turnover tax, as well as levies of profits, are to be directed to the same account on the level of the federation, and that they will be divided to the republics according to a scheme set up beforehand. Therefore, there is no financial reason for dividing the pipelines. Nevertheless, I would like to add on this issue that lately the members of the government have spoken on television, in mass media, have taken stances. Minister Dlouhy took a stance and Minister Knazko, for a change, took a stance on me. The reactions to these speeches are in my view rather out of proportion, and the whole situation should be assessed rationally and not emotionally.

[Reporter] Mr. Prime Minister, you, in fact, received our television crew while the government session is in progress. The deliberations concern the budget. What do you think will be the result of the deliberations?

[Calfa] The Federal Government was presented with a budget bill that was put together during rather a long and difficult process. You know very well that a few days ago it was even necessary to convene all the three prime ministers to discuss it in the presence of the minister of finance of all the three governments, and other officials. We discussed the budget as the philosophy on which the original budget bill was based, and allowed space for certain possible arguments, above all between the republics and between the republics and the federation. Therefore, we went through the experience whereby in the process of writing the sums in there was a need to reassess the original philosophy. We discussed it extensively, and in the end we agreed on a certain change of attitude.

The change of attitude showed that we agreed that those incomes which are the incomes of the federal budget will be put into one account. This means that we are not going to question which one of the republics sends how much money to the federal account. Instead, the turnover tax and levies on profit will, in fact, be put together on the same account, and the money from this account will be subsequently divided for use by the federation and the two republics according to a scheme set up in advance. The agreed scheme gives 35 percent of all the fund for the use of the federation, 40 percent for the Czech Republic and 25 percent for the Slovak Republic. As far as the total sum of the federal budget is concerned, we are thinking roughly about korunnas 108 billion.

I would like to say that it was rather good that we succeeded in adopting this principle, because it is the principle which removes a possibility of arguments between the republics, as well as between the republics and federation. All is flowing to one place. Therefore, it is the principle which has a distinctive integration character, a principle which is distinctively profederal, a principle that in fact binds us together.

The original principle was that a republic creates its own resources to use them, and something is handed over to the federation—in this way there was a possibility of certain arguments if the resources were not sufficient, or in the course of balancing incomes and expenses. Even cases of some kind of manipulations could have taken place within this system—and I would not like to speak about the cases we could call a trade war. Therefore, in my view, the Federal Government should discuss this budget bill and should appreciate this approach, and I am convinced that the Federal Government will do so.

[Reporter] Thank you for your interview. I wish you luck with the deliberations.

Czech Government Rejects Sudeten Property Calls

LD0412193790 Berlin ADN in German 1842 GMT 4 Dec 90

[Excerpt] Prague (ADN)—The government of the Czech Republic, which forms part of the CSFR, has strongly rejected the call made by the Sudeten German Landsmannschaft [regional association] for compensation for the German property confiscated at the end of the war.

In a letter to the head of the Landsmannschaft, Franz Neubauer, the press spokesman for the head of the Czech Government stressed that what took place between the end of the 1930's and 1946 between Czechs and Germans on Czech soil could in no sense be reduced to a property question. The problem lay much deeper. The forced resettlement of the Germans had done enormous moral damage to many people in the country; however, that was a Czech problem and must, therefore, be solved here. [passage omitted]

Slovakia Interested in Common State With Czechs

LD0212223890 Prague CTK in English 2034 GMT 2 Dec 90

[Text] Bratislava Dec 2 (CTK)—Slovak Prime Minister Vladimir Meciar said on Slovak television tonight that the Slovak government is interested in a common state with the Czechs, but has also the duty to defend the interests of Slovak citizens in the common state.

Meciar, hinting to last week's discussions on the Czechoslovak, Czech and Slovak budgets and some difficulties which accompanied them, said that to stop various rumours about Czech finance flowing to Slovakia and vice versa, Slovakia now wants order and clarity to prevail in mutual accounting.

In reference to the oil and gas pipelines; issue, Meciar said that the Slovaks have never wanted to divide the pipelines technically and never rejected a single operational centre. But they have always wanted the pipelines to be managed in tune with rules convening both republics.

Therefore, he has proposed to his Czech partner Petr Pithart to charge the relevant minister with talks with his Slovak counterpart, without presence of Federal Economics Minister Vladimir Dlouhy, adding that the Slovak government assess Dlouhy's television appearance of last week very critically.

Some federal government representatives must seek a different way of talking with the Slovak government. If somebody thinks that manners that reigned before the November 1989 revolution can be restored, he is strongly mistaken, Meciar added.

Rift in SNS Described; Moric Criticized

AU0412095990 Bratislava NARODNA OBRODA in Slovak 29 Nov 90 p 3

[Jan Fule commentary: "Where Is the Slovak National Party Heading?"]

[Text] On Tuesday [27 November] the meeting of the Slovak National Council, originally planned to last four days, ended without having caused much excitement after six days of deliberations. Despite the fact that there had been rumors in the lobbies about possible stumbling blocks in the deliberations, nothing like that happened. This may be why the lethargic and tired deputies—whom the cameras neither disturbed nor motivated—probably did not notice Tuesday's controversy among the deputies of the Slovak National Party [SNS].

The election results of this party cannot be called anything but a debacle. After the defeat, culprits are being sought. On Tuesday in an interview in NARODNA OBRODA, Vladimir Miskovsky, spokesman of the Slovak National Party Democratic Platform, called his party leader, Vitazoslav Moric, a "new Turk in the Slovak policy." Before noon the members of the Slovak National Party Democratic Platform made a declaration stating, among other things, that the party's failure in the elections was a consequence of the political line that is constantly criticized by the majority of Slovak National Party deputies in the Slovak National Council. Further, we quote: "We have to see the reasons for this failure in the fact that a part of the leadership, represented mainly by its chairman, lacks a long-term concept of party policy. For the majority of the Slovak Republic's citizens, as the elections have shown, this represents an unacceptable political orientation. To enrage a crowd with simple slogans and unacceptable manners is one thing, but to win a majority of voters is another. If a political leader does not do anything but glorify himself and try to retain his leading position at any price—even if he has to chase a part of intelligentsia away from the Slovak National Party—then the results cannot be much different from what they are.

On Tuesday afternoon, Vitazoslav Moric entered the building of the Slovak National Council accompanied by his faithful friends. He made efforts to meet with the Slovak National Party deputies, but most of them refused. On this occasion, Mr. Moric was able to tell Vladimir Miskovsky that he was the best paid disrupter of the party. Later, in the corridor, he granted an interview to a reporter from Slovak Radio, but when the subject of the Slovak National Party Democratic Platform was discussed, Vitazoslav Moric declared himself to be its initiator. When the reporter spoke about Anton Hrnka and Vladimir Miskovsky, the Slovak National Party chairman interrupted the interview and went to consult with his advisers who were in the lobby. He returned 90 minutes latter. In the second part of the interview he designated himself as the originator of the Slovak National Party Democratic Platform, and he gave August as the date of its establishment. Well, maybe. There is one principal question, however, that remains to be answered. Why was the appeal published in SLOVENSKY NAROD—and part of it also in NARODNA OBRODA—only this month, and why did he immediately afterward recall Vladimir Miskovsky from his position of the SLOVENSKY NAROD chief editor.

From the declaration made by the Slovak National Party Democratic Platform it is not difficult to understand that its members do not want to cooperate with the existing party leader any longer. Vitazoslav Moric does not intend to resign, as yet. It seems that he has decided to proceed from a big success to a courageous failure.

Meciar Claims Separatism, Pragocentrism Damaging

AU0412105290 Bratislava VEREJNOST in Slovak 30 Nov 90 p 2

[Interview with Slovak Republic Prime Minister Vladimir Meciar by "fb"; place and date not given: "One Question for Slovak Prime Minister Vladimir Meciar"]

[Text] [VEREJNOST] Do you think that separatism and Pragocentrism are equally dangerous for the stability of the CSFR, as stated by signatories of the "Declaration on the First Anniversary of the Fall of Totalitarianism in Slovakia"?

[Meciar] Separatism is a movement whose aim is to break up the Czechoslovak Republic and establish an independent Slovak state. By Pragocentrism we understand, or at least I understand, the endeavor to keep alive the existing centralized model of managing the life of society. Both are extremes. Both are damaging to society. Both are a threat to the state. Of course, views on the degree of this threat may differ. Just as I have repeatedly delivered my quite unequivocal opinion on separatism, I have just as clearly rejected Pragocentrism. Because many people are returning to these issues, I would like to draw attention to the fact that the failure to respect the basic laws of democratic social life and to adjust the administrative apparatus to the conditions of the market mechanism weakens the state and undermines its stability. Everyone must be prepared to face the fact that, if the existing Pragocentrism is preserved, the degree of threat to the state's unity and stability will be the same as the threat posed by separatists. This is because in a certain moment the centralist method of management loses the ability to safeguard the development of society and many problems—social, national, economic, and environmental problems—suddenly begin to pile up. The number of resistance movements begins to grow. In this way centralism leads to uncontrolled explosions. This can cause an even greater damage than separatism because separatism is limited in scale and, to tell the truth, does not have great support in Slovakia.

Slovak Government Discusses Budget, Other Issues

AU2911152590 Bratislava NARODNA OBRODA in Slovak 26 Nov 90 pp 1,3

["(NO)"-signed report: "Slovakia's 1991 Budget: 150 Billion Korunas"]

[Text] Bratislava—The Slovak Republic government held a session on Saturday 24 November 1990 from early in the morning until late at night. More than 20 issues were on the agenda. The government discussed the draft Slovak National Council [SNR] law on the Slovak Republic's state budget for 1991 which will exceed 150 billion korunas in income and will come to an even 150 billion korunas in expenditure. Following an extensive discussion, the government submitted the law for finalization, despite the ministers' fundamental agreement on the issue.

For the first time Slovakia's sovereign authority over the resources created on its territory will be projected into the budget. At the same time, the budget is separate from the subsidies received from the federation's budget. Apart from contingency funds, four billion korunas will be set aside for unemployment and requalification.

The government agreed on a Federal Assembly proposal for the amendment of ownership relations concerning land. The amendment stipulates the possibility of returning land and other property to their original owners if they were expropriated without compensation after 25 February 1948. To overcome the great difference between the Slovak Republic and the Czech Republic in the particulars (or rather the complete ambiguities) surrounding the issues of land registers and ownership, the Slovak Government has suggested a longer deadline—from one to three years—for citizens applying for the possibility of ownership.

The CSFR Government draft statute on granting pensions to some miners when they reach the age of 50 was approved with a few supplementary suggestions. This statute deals with the demands made by miners and their trade unions and pursues the aim of protecting their health from the consequences of long-term work underground. At the same time, the government set the minister of health the task of evaluating the emission of harmful substances in mines and of determining their permissible level.

The government adopted a CSFR Government draft statute on the financial management of state enterprises and other entrepreneurial entities, which creates equal conditions for all forms of enterprise. Several types of funds have been abolished (capital assets and investments, working capital, bonds, and so on) while the capital reserve fund and the accumulative fund for cultural and social needs have been preserved. The special compensations fund is to become optional.

The government made note of the proposed course of action for the internal convertibility of the koruna as of

1 January 1991. It agreed with the draft SNR law on insurance with amendments. This creates legislative conditions for the establishment of insurance joint stock companies and for the insurance of foreign legal and physical persons.

It accepted a proposal for the fundamental reform of the structure, management, and financing of the Slovak health service, which will be implemented in stages after 1992. This reform removes the state's monopoly and enables citizens to choose their own doctor or hospital. It also pursues the aim of improving the social status of health care employees, the conditions for their training and the execution of their duties, and their remuneration in harmony with their qualifications and the results of their work. In connection with the shortage of health care personnel (600 doctors and approximately 48,000 health care employees are needed in the Slovak Republic), measures were approved to help improve the situation. These measures include increasing the resources for salaries next year by 360 million korunas, freeing a large number of doctors from their current administrative duties to enable them to take up clinical work, giving priority to placing soldiers carrying out civilian service in hospitals, improving supplies of drugs, and providing hard currency amounting to 10 million korunas for the import of lifting and transporting equipment for immobile patients.

The government discussed a proposal for the destruction of toxic industrial waste, including polychlorinated biphenyls. In the first stage—up to the year 1995—the program proposes the construction of two or three incinerators using state-of-the-art technology from advanced states. The first incinerator will be built in Dusla Sala.

In connection with the termination of national committees (the date of the supplementary elections has been set for 19 January 1991), the government has approved the principles for the labor related legal issues affecting long-term deputies released from their posts in national committees and has agreed with a course of action for dealing with labor related legal issues affecting staff in the national committees' apparatus. The purpose of these measures is to preserve the necessary continuity in the execution of local state administration until its new structure and new personnel composition is established.

The government dealt in detail with the situation in supplying the domestic market. It expressed its dissatisfaction with the Ministry of Trade and Tourism for its apparent inflexibility in guaranteeing supplies of goods in demand and for its slow reaction to the agreements reached by other departments which could help ease the urgent situation. The government also discussed several other issues and, among other things, approved an interdepartmental commission to deal with requalification.

Government Approves Amended 1991 Budget Bill

LD0512005790 Bratislava Domestic Service in Slovak 2030 GMT 4 Dec 90

[Text] The Slovak Government, in session in Bratislava today, approved the amended Slovak National Council bill on the republic budget for next year. The bill envisages an income of 125 billion korunas and expenditures of slightly over 124 billion korunas. Expenditures mainly concentrate on moderating the social impact of expected economic developments—in particular dealing with unemployment, compensation for price increase, and organizing retraining.

The Slovak Government also approved an amendment of the defense law in which it is proposed to cut the overall length of the regular military exercises of reserve soldiers by four weeks and to increase the age limit for granting deferrment of military service to 25 years, in the case of students of higher education until the end of their courses, the upper limit being 30 years.

At a news conference, deputy Slovak prime ministers informed journalists about individual approved laws. Vladimir Ondrus said the state budget of the republic reacts to the situation which envisages the reduction in the living standard of the population. He proposes spending increases for social security of 29.5 percent. Vladimir Ondrus said that despite this expenditure, an increase of prices by an average of 20 percent can be envisaged, while earnings will go up only by 10 to 12 percent.

Slovakian Youth Leader Discusses New Group

LD0412202690 Bratislava Domestic Service in Slovak 1100 GMT 4 Dec 90

[Interview with Jan Holcik, chairman of the newly formed Democratic Youth of Slovakia program, by correspondent Ivan Kosec in Bratislava on 4 December—recorded]

[Text] [Kosec] At today's news conference, you informed us about the structure and activity of the Democratic Youth of Slovakia. What was your starting point in forming this program?

[Holcik] Our starting point was the principle that, until recently, there was no organization in Slovakia of a political character after the Union of Youth, in effect, distanced itself from socialist ideals—or rather, from its left-wing character—and we felt the need to give the youth who are of a liberal orientation—that is, democratic youth—the possibility of organizing themselves, to undertake their own actions, and to meet in villages and small towns, as well as organizing themselves and activating themselves on a political line.

[Kosec] You mentioned certain activities. Can you give us some of the most important ones?

[Holcik] On 7-9 December, we are preparing, together with Christian Democratic Youth, a large youth rally with international participation, entitled: "Youth in Politics." In fact, this should be the first meeting of such a character, and in doing this we wish to establish a new tradition. It will take place in Tatranska Strba, which is a very nice location. We are interested in discussing the problem of the work of youth organizations with a political subtext both in our country and in East and West Europe.

[Kosec] Let us now touch upon a much discussed topic: the nationalization of the property of the former Socialist Union of Youth and the meeting on Slovak National Uprising Square on 17 November. What is the stand?

[Holcik] We consider the nationalization of the property as an absolutely unacceptable act, and not only from the point of view of the Constitution, because we consider it as unconstitutional, as has been said by several youth representatives. We also think that it is not an appropriate way of dealing with Socialist Youth Union property in particular since we, as youth organizations, have recently arrived at a considerable concensus when looking for a way out, and the solution was within reach when the Federal Government intervened. It was influenced by what I call perpetual youth, 40-year-old people from the president's circle who told Deputy Federal Prime Minister Miklosko and the president that they represent nonorganized youth and that it must be done.

[Kosec] What about the meeting on Slovak National Uprising Square?

[Holcik] Jurai Hutka, our central secretary—formerly chairman of the Council of Youth of Slovakia—spoke at one of the defense meetings for the protection of democracy and sufficiently formulated our stand. From the beginning—that is, from 25 October—we were the ones who spoke against expressions of nationalism. We pointed out that people who express such trends in the past officiated in other structures, in particular in structures of the Communist Party and similar organizations.

[Kosec] So what is the future place of Democratic Youth of Slovakia in social and political life and development in Slovakia?

[Holcik] The aim of Democratic Youth of Slovakia is to give young people the opportunity to meet, simply to provide the umbrella which they need to show that there are not just extremist expressions in this society but that there is also the decent silent majority. We do not wish to become a mass organization, but we would like to take part in the life of society, to the maximum possible extent.

Pittner on Security Situation, 'Black Sheriffs'

AU2911152990 Bratislava PRAVDA in Slovak 26 Nov 90 p 3

[Interview with Ladislav Pittner, the newly appointed Slovak interior minister, by Frantisek Melis; in Bratislava on 24 November: "A System for Managing the Department"]

[Excerpt] [passage omitted] [Melis] How do you evaluate the current unfavorable situation regarding the increasing crime rate in our country?

[Pittner] We are still in a kind of post-revolutionary state of dizziness. An accompanying factor of every post-revolutionary period is the fact that a certain section of the public confuses democracy with anarchy, and it takes rather a long time before there is again a sense of order and respect for the law. The crime rate is also increasing because of the insufficient work being carried out by police officers. In the past the State Security [StB] lived well on their account. For this very reason, they felt the public's undifferentiated reaction toward them following 17 November much more bitterly because the majority of them were not the bearers of repression and served the public. In comparison to the well organized and well armed criminal gangs, our police force is very poorly equipped. I would like to hold regular consultative meetings with individual representatives of parties, movements, religious associations, and the ethnic minorities to hear their opinions about the Interior Ministry's method of work.

[Melis] Reports are circulating that among the organizers of the so-called counterdemonstration on Slovak National Uprising Square on 17 November there were also faces well-known from among the ranks of the StB. Has the ministry any further information about this?

[Pittner] The Office for the Protection of the Constitution and Democracy has received several signals of this kind. These signals suggest that our staff should circulate among the participants in similar demonstrations. So far, it has not been ascertained whether they were armed. On the other hand, members of the former StB are often used by foreign intelligence services. We know that they receive 100-150 deutsche marks per night for the nocturnal surveillance of members of the political, security, and Army apparatus. These intelligence services are interested in the specific destabilization of our conditions, not so much for political reasons as for strategic economic reasons. Whoever is organizing this situation and, in return for a small sum, can get his hands on certain funds—for example, for privatization and enterprise—is acquiring greater scope "by scaring away" capital and investors from abroad.

[Melis] Could you clarify in more detail the method of finding and the purpose of operating the so-called black sheriffs in our country?

[Pittner] When I came into office I was informed that a civilian service had been established in our country to protect specific buildings. This applies to the Hotel Pupp in Karlovy Vary and to several hotels in Bratislava. I had the entire matter reinvestigated and, according to the first reports, this issue involves Czechoslovak state citizens who were trained for this activity by similar people from Germany. I had their armaments checked. I would very much like to see our order enforcement police unarmed. On the other hand, special security units have to be flexible enough so that they can be utilized in instances where arms will also be necessary. The so-called black sheriffs service is not illegal; the issue merely is whether all the legal prerequisites are being fulfilled.

Meciar on Austria Visit, Nuclear Power Plants

AU0312131790 Bratislava NARODNA OBRODA in Slovak 28 Nov 90 pp 1, 2

[Interview with Slovak Republic Prime Minister Vladimir Meciar, by Jaroslav Klc at the Bratislava-Petrzalka border crossing on 27 November]

[Excerpt] Bratislava—[Klc] A "burning" problem in Austro-Czechoslovak relations is Czechoslovak nuclear power plants. Did you also touch upon this subject during your talks with the Austrian partners?

[Meciar] We have discussed the operation of our nuclear power plants with the representatives of the International Atomic Energy Authority (IAEA) at the UN. We closed the issue. We asked the representatives of the commission whether the situation in the nuclear power plants in Slovakia is such that there would be an immediate need to close any of them.

We received an answer stating that there is a seven-degree rating of the condition of nuclear power plants. In Czechoslovakia, the IAEA has not discovered anything worse than the third degree, which means that they are normally operational. The decision on the operation or non-operation of the nuclear power plants is within the competence of the government. We agreed that they will provide us annually with technical assistance in assessment of the condition and will propose measures. Should these proposed measures go beyond a certain financial limit, we will have to consider other ways.

We have also reached an agreement on technical assistance in considering the further fate of the block A-1 in Janovske Bohunice, whether or not it must be demolished, and, if so, under what conditions, and on technical measures to improve the condition of V-1, to extend its operational life. Otherwise, it would not last long.

Similarly, we discussed possibilities for cooperation with the UN Industrial Development Organization. Concrete agreements were reached. Despite their proximity to us, we did not know that they entered into agreements with the federal bodies, that joint commissions exist. Therefore, we attempted to deal with the situation right on the spot, and we joined the system of technical cooperation. It seems to show great promise, and we will establish a joint enterprise shortly. [passage omitted]

National Assembly Meets, Antall To Speak

LD0412114490 Budapest MTI in English 1049 GMT 4 Dec 90

[Text] Budapest, December 4 (MTI)—The government submitted a further three bills to parliament, asking for immediate discussion.

On Tuesday morning, before starting the actual debate, parliament decided to include these proposals—the amendment of the law on family allowances, the bill on the state health service and the medical officer service and the bill on the establishment of municipal and county agricultural boards—in its agenda immediately.

Afterwards, the assembly continued the debate about the bill on the modification of the Central Technical Development Fund.

The assembly has a very tight schedule for today. They will have to discuss the amendments of the three tax laws and of the law on foreign investments. In the afternoon, Prime Minister Jozsef Antall will address parliament about the economic situation of the country.

Antall Views Economy, 1991 Budget

LD0412190390 Budapest Domestic Service in Hungarian 1534 GMT 4 Dec 90

[Speech by Prime Minister Jozsef Antall at the National Assembly session in Budapest—live]

[Text] Mr. Speaker, esteemed fellow deputies, esteemed guests, my fellow countrymen:

When you greeted me some weeks ago as I came out of the hospital, you greeted me as a friend and seemed to be pleased that I was returning to the government-party benches as well as in the benches of the opposition. I express my sympathy with the feeling of solidarity and fellowship for the seat that has become empty as a result of the tragic death of our fellow deputy in a car accident.

This means that this house is not simply a place for legislation, not only a debate forum where good and bad decisions are made, but we, as fighters of an evolving Hungarian democracy, not only fought through the dismantling of the past regime and the establishing of the new one, but we have to be united in that we will accomplish the leading out of this country from a serious crisis. We will try to do all that our means and the outside world allow us to do.

I cannot give you some kind of report now. I would not like for expectations to exceed all that I can tell you. I want to gain the nation's confidence for us—for you, for all of us—with straightforward words about political and economic issues, and to make the faith the foreign countries feel for us a genuine faith and confidence. For this reason, please forgive me if I speak about some issues without rhetoric, with the puritanism of the word, and do not expect me either to make this afternoon some kind of political race, some kind of political contest.

I feel our country is coming to a crossroads this winter. The world around is crackling [recseg-repog] and the days of awakening, the hours of awakening, are approaching, not only here in our neighborhood, but in the West as well.

In the past, we frequently said to the world—to the leading governments and to those statesmen whose goodwill we felt—that the process that had taken place in Eastern-Central Europe had not been identical to the world of luxury hotels; where not once, meeting each other, did it become apparent that they were meeting the people of these countries. We frequently explained that if we cannot improve the economy, if we cannot stop the collapse, then such social tensions and conflicts would develop which would threaten from many angles the celebrated political democracy, the parliamentarism which had been created.

The question at the crossroads is: In which direction are we going, in which direction is this region going?

After the Paris summit we can raise it at home as well, that with bitter trials, self-moderation, and self-restraint we shall try to lead our country out; we shall try to restore the existing, or earlier-existing—or perhaps I can say the-never-before-existing—democratic institutions in the region—or at least some of them.

I think the Western world doubted and those who are sitting on the opposition benches or in the government parties—who, not long ago, were still opposition politicians or amateur politicians and had met leading statesmen—know how it was not believed or expected that the internal order of the Soviet empire—world communism—would collapse so rapidly, along with the political structures in the other countries that had been established either 70 years ago or after World War II.

Let us declare that neither the people of these countries, nor the statesmen of the Western world were prepared for such a rapid political transformation or such a rapid collapse of these economic structures. One and a half years ago, it was not believed that, just as after the rapid transition, the birth of democracy and parliamentarism had been celebrated here, institutional systems created in the Western world would also be created. They, however, did not consider what kind of internal difficulties and rigid structures there are here—ones befitting the stone age—how deeply reflexes are ingrained, and how deeply rooted in people are characteristics which cannot be changed from one day to the next.

There is one country, Germany, which made it clear by the joining Eastern provinces to a flourishing German Federal Republic through the process of German unification, that even wealth, and given enormous economic potentials, what a titanic task it is to get these Eastern provinces on their feet and make them function smoothly. It is still a major task to solve the question of property ownership, ensuring investments, restructuring of nonfunctioning institutional systems and infrastructure—all this with such an enormous economic power that is missing in every other region of Eastern-Central Europe, and with such a Germany which can even afford to provide rapid aid to the starving Soviet masses. The difficulties are great even there—what are we to say then?

I believe that when we arrive at this crossroads, we have to ask the fundamental question: Is there any other solution, can they really know better, can they really do something different? I think that now we must not live in the time of slogans. Something can always be said as an answer to everything, requests can be formed for everything. There is no such Hungarian social strata or Hungarian profession which could not say that it wants more—be it a pensioner, the miserable people on small pensions, the big families, the enterpreneur who wants to progress, the wage earners. Furthermore, certain branches of the country that are reflected in the ministries as leading organs—I can really say that not only the ministry but the government—also carried out painfully hard work to prepare the budget that was put on your table, that you are probably going to consider wrong and undoubtedly criticize.

On behalf of the government, I would like to say a few words, because the finance minister is going to deal with the budget. However, I can say now, that no matter which portfolio we are talking about—the point is not the ministry, the central office, but what it leads—in some sense, every branch, every portfolio is of strategic significance, and we all know this. It is the owner of the economic portfolio or the owner of the administrative and other portfolio, that says the country wishes to have public safety.

Public safety needs a police force, as well as a well-equipped and well- organized operational administration. The jurisdiction can say the same because one can talk about the collapse of the jurisdiction regarding the lengthy court cases that are already affecting the operational mechanism of the state.

Regarding defense, when an entirely new military-political situation evolved, cuts, of course, have to be made. We also undertook an international obligation when the Soviet Army began withdrawing, when the Hungarian Army is outdated. Regarding education, the universities, the Academy of Sciences, industry, employment, shall I go on....[changes thought] Is there a single area where more could not be desired, where the wish for more is not justified?

Everyone who wishes for more is right, everyone who wants more and more is right—be it sport, art, export support, anything. There is not anyone who would not agree when dealing in these matters, when he has to defend this ideas. I think that a few things, which have been reiterated by the press, by you, or by the experts 100,000 times, still have to be said. I think that nowis the appropriate time to discuss these issues, because I am speaking not only in front of the esteemed National Assembly, but also in front of the country; furthermore, this is also the time when it must be decided how to continue at the crossroad and which route we shall choose.

Talk about having an inheritance is nothing new; we are not saying this to quote the crimes of the past, to look for scapegoats, or I would wish to qualify certain political groups or parties in the esteemed House, this we had settled, explained in words, in actions, in processes. [sentence as heard] It will be a long time before we find a balance, but the facts remain facts, and this country must accept this inheritance because there is no one else to take it on our behalf.

If I look only at next year, I must consider our debts, presently at $21 billion—of this we must repay $2.4 billion and pay $1.7 billion in interest in 1991. This fact alone is an enormous burden, but if we consider when and how this $21 billion came about, then from our $21 billion debts, around $4 billion is the sum that had been invested; the rest, four-fifths, had been taken up to pay interest, and to roll in front of us. [all figures as heard]

This means that we have to accept this throughout the country; it also means that during the past period—when we had found it funny that we had been "the most cheerful barrack in the camp" and when we, with a certain sense of low-level security, because no one can say that the Hungarian people lived at a high standard by world comparisons—this money had also been included. If anyone compared the situation of Hungary—their own position—with any of the neighboring countries, if they met a Romanian, a Czechoslovak, or other tourist at a campsite, he could even feel a certain pride that he is living better—freer, if you like—than many others. This is the process that is now placing an extra burden on us.

I could, however, talk about some more immediate questions, I could talk about the kind of crises the country had to face during the past year, and what kinds of results can be accounted for. In May, the country had some $700-800 million in reserves—now we have $1200-1300 million. There are and could be some who could demonstrate how critical the situation had been at the end of April and at the meeting of the National Bank and bankers here, but we managed to get through it. Compared to this, we are in a better position concerning reserves; however, this is not enough if we compare it with what had been outlined earlier. In any case, this means that we are $300-400 million better off concerning reserves.

Furthermore, when we talk about debt and the country's economic situation, we also have to mention that the productivity of the Hungarian industry is approximately one-third of that of the the developed Western countries' industries—but by all means between one-third and two-thirds if we compare it with Austria. At the same time, Hungary, in relation to the produced goods, uses two to three times more energy in general than the developed Western countries, in which our underdeveloped technology—our backward auto stock, if you like—

and our underdeveloped industry are all involved. I will go further; according to the surveys of the competent portfolio, Hungary's lag in the development of infrastructure is 250 billion forints. Railroads and so forth—that is transport, telecommunications—I will not list. We have a lag of 250 billion forints in the general area of infrastructure, this is how much we would need; furthermore, this lag of 250 billion forints causes the country a damage of 80-100 billion forints annually and means this much burden. If I add our natural environment to all this— our natural environment in general, not only what the withdrawing Soviet troops are leaving behind—the country's need can be calculated in terms of 100 billion [forints].

When I speak about the serious troubles, however, I also have to mention that CMEA, which has collapsed, which is to collapse, has seriously deformed Hungarian economic life, as well as that of the other Central-Eastern European countries, because it meant a barter of states. All the overburdening of the budget derives from this structure.

Let us speak about the blows and challenges that are hitting us now and will hit us next year. Everyone knows what the drought, the gulf war—that is, the threat of a war in the gulf—and the blockade itself, the crisis between Kuwait and Iraq can mean to us, and what it can mean to us if a war starts in the Gulf or if the blockade trails on, and what the shrinking of CMEA market means. This means that serious challenges, serious blows, will be awaiting us in 1991, while we have been talking about the country's peaceful conversion, peaceful transformation, and got down to work in the hope of that.

If we talk about new figures, it has to be mentioned that this state barter trade also deformed the Hungarian economy. In the long run, the convertible accounting with the Soviet Union and with other Central and Eastern European countries will benefit the Hungarian economy and will make it viable on the world market. At the moment, however, if we sum up the damages resulting from the transfer to convertible accounting, the oil price rise, consequences of the drought which will be felt in 1991, it can mean another loss of $2 billion for the Hungarian economy; this is the equivalent of 10 percent of the population's consumption according to the calculations of our economists.

If someone studies these figures, it means that 1991 is going to be the year of severe ordeals; a year that must be handled together—that is, the esteemed house, the government parties, opposition, and independents should also be able to handle this together because there is more at stake here. I repeat: This involves parliamentarianism itself and the parliamentarian government that we set out as a goal for ourselves.

If we are talking about goals—which is not a very nice word—then of course, one has to mention the ones where there is agreement, too. There is an agreement in principle, that encouraging venture is a goal because without this we cannot go forward; however, it is a very important goal to keep financial discipline and to take austerity measures in everyone's own area. We have all talked about the market economy as the only viable solution and we have also stood up for fitting it into the system of interests of all of society.

We agree that private ownership must dominate Hungarian economic life; therefore, there is a need for privatization. Privatization means investments, the influx of foreign working capital, and the investment of the sums accumulated by some of the citizens here at home. This is where the ownership relations also have to be settled, because if we cannot settle ownership relations, no one will invest in the uncertainty—neither foreigners nor Hungarians. These questions must be resolved, because if we do not do this, everything will become uncertain.

We must guarantee that those who invest here—in the long or short term—can do so in the hope of making a profit. With unsettled ownership relations, all this is impossible; therefore, it is important that we carry out this task. Here, according to the stand of the government—when we do everything in our power in the interest of privatization—we favor the principle of owner compensation to the benefit of the small owners in a degressive nature, in a way that it should not generate inflation, and only with appropriate regulations. Our proposal on this was also submitted to the National Assembly.

We must strive for wage and price liberalization, foreign trade, and currency in the interest of boosting the economic life of the country. This is the only way to achieve results and create trust, even if this has its dangers and guarantees. Ventures, of course, are a key question, because ventures also mean reviving the economy and creating new jobs. In addition, they give impulse to our antiquated industry and economic system and, thus, to branches which can be listed in this category. Convertibility of proceedings of the ventures, therefore, also must be ensured.

The next question is the budget deficit. It is common knowledge that the present budget proposal is 78 billion forints, which means we are hoping that this 78 billion forints will be acceptable to the IMF. It would be good, however, if it were clarified for everyone. It is not only because of the IMF's cruel demand that we cannot exceed the deficit of 78 billion, but simply, if we exceed this, inflation will break loose, and Hungarian economic life will collapse, and we would be in the same position as many other neighboring countries, or in the direction they are headed. Limiting the budget deficit is, therefore, done in the interest of avoiding printing money without cover.

What can we say of the fact that it is necessary to develop the infrastructure in Hungary? This is not a new invention. The development of economic life is inconceivable without developing the infrastructure. We could list examples of this beginning with transportation. This is not something discovered now, even if it was not described in such fine words; it is not an invention of the 20th century. Istvan Szechenyi and the great generation of the Reform Era were aware in the same way that transportation, water regulation, and all that happened in the past were preconditions of an upswing in Hungarian economic life. For precisely this reason, these investments constitute the basic issues of the economy.

There is not sufficient budget cover for this. Our population is impoverished or is in the process of impoverishment; however, we have to do this. We can do nothing other than facilitate the development of the infrastructure with foreign capital, with conceptual legal provisions and agreements.

When we speak about developing Hungarian economic life, we must recognize the talks that began—launched during the time of the previous government—and the results achieved with the Common Market, with other organizations of European integration—which we can further develop—and we have every promise for next year, too. The result of this is that the Western European markets and other foreign markets have opened to our goods. The source of economic growth obviously can only be the rapid development of a liberalized, private economy. This means that only through this can we offset all that took place: by this we mean our traditional economic spheres, the state sector which started off at about 90 percent, and the branches that constituted enormous industrial and economic potential.

Our exports to the Soviet Union and the CMEA have decreased. Certain estimates indicate this 20-25 percent decrease could mean a similar decrease in 1991; this means that our exports directed to the neighboring countries and our exports directed to the Soviet Union will still deteriorate especially if they are stricken by economic and political events.

We will do our best to reduce this, and we will try to seek new paths so this does not take place in this manner or so seriously. When we speak about this, however, we also must say that an encouraging sign indicating the will to live of the Hungarian people and the Hungarian economy, is that our foreign trade balance was so successful, and that even after such economic bankruptcy, after such a collapse of the economies of the neighboring countries and the Soviet Union, after the narrowing of the recipient markets, and after the decrease of these industrial branches, the Hungarian economy was able to offset this in part, and to improve our position through Western exports and by making use of the concessions it received. This, of course, could not halt the decrease in the standard of living in the population overall, but it halted the collapse of the Hungarian economy, and it halted processes that took place and became characteristic in the neighboring countries.

This economic transformation and this economic situation brings social problems to the surface, which will be discussed in the budget; measures concerning the social safety net, the labor policy, and the questions of retraining, breakthrough steps must be discussed in the field of social policy measures. Even then we will have to face serious difficulties.

Unemployment in Hungary increased to 61,000 in October. This present level of unemployment was very difficult to predict, but preliminary calculations indicate it could double or even triple in 1991. In the interest of this, we must do everything we can. The fundamental question is that the best social policy is always the economic policy, but when economic policy is unable to handle certain matters, than social policy measures are unavoidable.

If we say that there is hope in the middle of the serious crisis, then we must list among the hopes the certain 1 billion positive balance on our foreign trade and our ability to assimilate foreign trade. We must list the dynamic growth of the private sector and the increasing opportunities for the growth of the income of entrepreneurs and of investments. We must also mention here that half of the foreign capital flowing into the former socialist bloc, into this Eastern-Central European region, came to Hungary; two-thirds of this—around $1 billion total—came in this year.

Our aim could only be to continue privatizing at an increasing speed. Here, we could mention that the approved transformation of the marketing of assets is worth 23 billion forints; 11 billion forints were already realized, and in the active privatization program there are already 800 applicants, to the value of 110 billion forints, who already applied with some measure of commitment.

It is a positive point that the institutions of market economy had already been formed or are being established, but our banking system and certain parts of our economic life are not yet adaptable enough, but we have got the foundations.

If I add to this that, compared to any other Eastern-Central European country—despite every internal crisis nad internal debate—the institutional system of democracy is most advanced in Hungary, with the legal state and the multiparty National Assembly. There is no need to praise ourselves; perhaps we have no reasons to do so either. We, however, can accept the comparisons with any new, newly elected parliament.

We can say that the self-governments have been established. We know the disputes, and we know the difference of views, but if we look at it in a way that the government and the self-governments—parliament and the system of institutions—are in place and, we hope, have been operating, then this is also part of it. Regarding political issues, we say that the political differences of view appear in a crisis, along with social tension between employers and employees, amid not necessarily clear circumstances, which on the one hand is a consequence of the state structure. If we compare it with the tension in other countries and in the neighboring countries over nationality, ethnic minorities, and other issues, then our country still belongs to the calm countries.

If we speak about what kind of chance we have, then it is also worth mentioning that any Western observer—excluding, of course, the unified Germany—considers that it is Hungary, the Hungarian model, which has the most chance for transformation. This is a pioneer role without any historic example or prototype. No one has yet traversed a path similar to our current one. It is right not to build castles in the sky regarding Western support. We know that several Western politicians and economic experts say that they would teach us how to catch a fish rather than give us one. The amount of supports not to be paid back—which we will receive next year, too—is, of course, primarily based on various plans, various aids, the phare program and others. We, however, have to guarantee markets for our products, and we have not the best quality products, in general. The Western market, however, is a tough market where we have to create appropriate credit conditions, too. In the interest of this, we have to agree that we should have an adequate, acceptable budget, and we should maintain our solvency, as well. The realistic chance in 1991 is the guaranteeing of a loan of $1.5 billion, with which we can guarantee the country's creditability, by the international financial institutions.

We have asked for further loans for the secure financing of next year from the most developed 24 countries, from which we can expect support, and if unexpected events create a deep crisis in this area or in the world economy, then we will need a new bridging aid which we can use only then.

I cannot say anything else, but that the condition of the country is extremely serious from an economic point of view. People's dissatisfaction is intensified and justifiable, but what can we say? Can we here, together, give an alternative?

It is possible that there are some who say they can, but I do not think that, in the vital questions, any political group or political party in Hungary would be able to do this. I, therefore, can only welcome all those—either in the government parties or in the ranks of the opposition—who voiced that they do not have an alternative program on the whole and, as regards the main questions, that they cannot give a better solution than this much abused government, which probably deserved a lot from these abuses.

The fact that this government submitted about 80 bills to the National Assembly in the past six months, and some 40 bills were adopted—which, in itself, is a legislative feat—I think, is acknowledged by many. In critical times, at new beginnings, even after the compromise or after 1919 or 1945, a similar amount of laws were not created by parliament; however, the government prepared them even if with erroneous proposals.

I think that the grave trials that will characterize the year 1991—and, which has to be said openly during the course of 1992—will give hope that we will be able to stop this process and start down the road to recovery.

The difficulties of transition cannot be avoided, and this is best indicated by the fact that we are in agreement on the main questions. Furthermore, no one can say substantially otherwise what the alternative could be. If we do not carry out our work here responsibly—like I said at the forming of the government—it might bring anarchy, extreme ideologies, demagogue personalities, or if you like, the phenomena of waiting for a miracle. I do not wish to name regions, countries, or persons, but we know that when poverty becomes dominant and crisis appears, the charlatans and know-it-alls emerge, as well as the exploiters of those expecting the miracle.

I had the opportunity to speak to a politician in Paris who predicted the consequences of expecting a miracle. Let us beware of the false prophets. I believe that only political oppositions are seated in this house, to whom difference of political view is one thing, but they are united in wanting the good of this country.

In the interest of this, I ask that the esteemed National Assembly should ensure every citizen of the country, and they should think together, with us, that stability is a vital question; trust is another, and sacrifice is the third. Stability, trust, and sacrifice are the things that will ensure home and foreign investments and ensure equilibrium.

I am not quoting the past, and many things could be said, but all those who have large fortunes, we are encouraging them to undertake enterprise, on the one side, but on the other, those who feel themselves as well privileged try to recall that even if in a forced situation, but in 1848 the Hungarian nobility of the time were able to resign their privileges and financial advantages as well, because they understood the words and spirit of the time. [sentence as heard] I would like to draw the attention of those who know what advantages they had or are having to this example.

Here, there is need for political agreements, effective cooperation, and interests coordination. We know—and it was not meant to be offensive when certain organizations thought so—that when we talked about the organizations of employers and employees not yet having found the suitable framework in Hungary, we were not accusing, but were presenting a realistic view and realistic needs.

If the so-called taxi blockade series of events had any results, it is that employers and employees, who earlier questioned each other's legitimacy even sat next to each other and formed a joint platform in agreement with each other, even if on certain questions they did not agree. I think we must reach the position where employers, the organizations—either the Economic Chamber or the Council of Enterpreneurs, and I could continue listing them—the interest representing groups of employees must naturally be organized, state their views, and their operation is always positive if it is complying with the Constitution and if it means that for the purpose of protecting the interests of sectoral groups are representing those with the aim of reaching some form of compromise. So, whichever side they had sat on, those who worked toward this deserve thanks.

The other point is that they would be mistaken about their role if they thought that because in Hungary the means of production are in state or public ownership, and a significant part of them are, so state and government are identical. There are factories and companies in state ownership in Western countries as well, banks and industrial companies equally. At the interests coordination, however, the state companies mean employers, and the organization of workers, employees, and the government is the third partner. What we must aim at, and only this is the normal situation, when in this triangle the government is not the common enemy, but what is at issue is that the government must be separated from companies owned by the state, still owned by the state, or will be owned by the state in the future. Whether they are in the handling of the assets agency, or they are state holdings, or anything else.

For these reasons, I think that cooperation is our only option, and we are offering cooperation to the employers and employees within the interests coordination. I applied in writing to the speaker of parliament with the request that, before the presentation of bills, without special institutional provisions, there should be coordinations, meaning the six parties and the independent MPs, as well. I am confident the government will receive a positive reply to this, to speed up the work of legislation, and we should be able to coordinate.

In the same manner, I have also proposed to the leaders of the parliamentary parties that we should examine—not only with deputies, parliamentary deputies, but with economic experts too—the economic tasks, our economic policy measures, not to shift the onus of responsibility—let there be no misunderstanding, a responsible government ought to know where its responsibility extends to—but so that they should have the means to assert their real economic outlook, their real economic expertise, and so that we should be able, preliminary, to discuss all these issues.

I hope that I will receive a yes to this from the deputies, a fraction of every parliamentary party. We are ready, so that when the country faces a crossroad, when the country faces serious ordeals, we should work together with the elected National Assembly, with the organizations taking part in interest coordination, in the interest of the country's people. We can achieve nothing, we can do nothing if we are unable to conciliate the part interests. Everyone is right concerning the part interests, but government, politics, were never anything other than an act of unifying interests.

We must coordinate interests within government, because the proprietor of each ministry struggles for his own ministry, in the interest of his ministry, which means not only the ministry, as I said, but the whole branch. It is the same regarding the individual political parties, and this is precisely one of the conditions for the ability of democracy to function.

In conclusion, I would like to say that for a small country like Hungary, its foreign political endeavors and its ability to find bearings in foreign politics are extremely important. For precisely this reason, Hungarian foreign policy functioned successfully, compared to other branches, previously as well. I believe that if one sums up the results of the past six months, in the sphere of foreign policy, with all the accusations, with all the just or unjust criticism that has been voiced, then he can establish that Hungary's present foreign political system of relations, our country's degree of acceptance in foreign politics—ranging from North America to Western Europe, I do not wish to list all of the governments and countries—has been unprecedented not only in the past four decades. I could, however, also safely say that our foreign political system of relations has not been so balanced for centuries. Critical remarks have ben voiced one after the other, at which we naturally cannot take offense, because the reason there is a multiparty sytem and there is parliamentarism is so such things should be said. Accusations of one-sided foreign policy orientation have been voiced, country by country and bloc by bloc. Nevertheless, I believe that if we close the balance of the half-year in the foreign policy sphere, we can state that our country has a system of foreign political and international relations of a type which there never was before, and never before has it been so recognized.

All this is not an end in itself, nor is foreign policy an end in itself. Foreign policy, an awakening of trust, the recognition of a country's foreign policy, and its system of foreign political relations, are parts of the system of trust mentioned earlier, the system of trust on which we can build our entire economic policy, and which also means our prestige—not either as an end it itself—in the world.

This is why I wished to tell the esteemed house and the country's people—not as some kind of budget expose, but in a speech—that the year 1991 will also be a year of ordeals. There is, however, a path leading out of this for this we cannot undermine our own belief, our will. Only with solidarity and cooperation can we do all this, through the combined will of the whole country. If we have been given the confidence for this, we ask for support for as long as this confidence lasts, and I should also like to announce that since expectations and news of all types have taken flight and been heard, there will, indeed, be a partial reshuffle of government within the given time. What will be formed here, however, will not be a second government, not a government which introduces itself completely anew, but there will be swaps—if you like, relieving—but no falls in the coming period, in which we must take several viewpoints into account, too. This may affect not only ministers; it may obviously affect state secretaries, too. I could also say that there also are vacant places, and it also will affect political events in the coming period.

This is what I wished to say. I imagine that the first such reshuffle measures may take place continuously beginning next week. All this will be in the interest of our being able to implement a successful program. Furthermore, here and now, alongside the necessity of strengthening the government coalition, I offer correct, honorable cooperation with the political opposition and that we should find, at the various levels, the cooperation which is suited to putting the country in order.

I trust that in this, after so many ordeals, we will win over the trust of the Hungarian people who have suffered so much, and who have always been able again and again to begin, which constituted a resurrection from the ruins, from all which afflicted of us until now.

Thank you for your attention.

MTI Reports Romanian National Day Celebrations

AU0412113090 Budapest MTI in English 1633 GMT 2 Dec 90

[Text] Bucharest, 2 December (MTI)—Grand ceremonies took place in Gyulafehervar [Alba Iulia] on Saturday, 1 December, to mark the 72nd anniversary of the unification of Transylvania and Romania.

December 1 was declared a Romanian national holiday by the Romanian Parliament in the summer.

A crowd of tens of thousands of people gathered in the one-time royal seat on Saturday, while garrisons marched through the streets.

President Ion Iliescu, members of the government and Parliament, and representatives of political parties laid their wreaths at the statue of Mihai Viteazul, a Romanian prince, who for the first time annexed Transylvania to Romania in 1600.

Leaders of the Romanian churches celebrated a thanksgiving service (Te Deum), followed by a ceremonial session of the Romanian Parliament held in the large square in front of the Cathedral of National Reunification.

In his speech, President Iliescu said that the Gyulafehervar resolution, 72 years ago, had stipulated that all ethnic and religious minorities were entitled to equal rights. He did not mention, however, to what extent this democratic-style resolution had been realized in subsequent decades.

The general secretary of the Democratic Association of Hungarians in Romania, Geza Szocs, spoke of the democratic character of the 1918 resolution, stressing that this document guaranteed full national freedom to all nationalities living together.

Szocs stressed that in the Alliance's opinion, this resolution should be the basis of the new Romanian Constitution.

According to Szocs, there are great similarities between 1918 and 1990: in both cases, the creation of a democratic state of law is at issue. "72 years ago, with the passing of the National Assembly's resolution, the Romanian nation made a vow in front of the whole world to guarantee minority rights. That is why the date of 1 December has a symbolic meaning for ethnic minorities in Romania as well," Szocs said, adding that peace and democracy can only be created if the rights of all ethnic, religious and political minorities are guaranteed.

A representative of the Romanian Party of National Unity, the Vatra Romanesca, Senator Radu Ceontea, who is well-known for his anti-Hungarian feelings, also addressed those present at the celebrations.

He said that the present borders of Romania were drawn by force and therefore, the place of arbitrary separation has to be taken by natural unification.

Parliamentary Speaker Sends Telegram to Bucharest

AU0412154890 Budapest MTI in English 1633 GMT 1 Dec 90

[Text] Budapest, 1 December (MTI)—The speaker of the Hungarian Parliament, Gyorgy Szabad, sent a telegram of greetings to Alexandru Birladeanu, president of the Senate of the Romanian Parliament and Dan Martian, speaker of the Romanian Parliament, to mark the national holiday of Romania.

"I hope that the friendly co-existence of the nations of Romania will not take light years to come to pass.... I believe in Hungarians and Romanians, able and willing to live together, respecting each other and making joint efforts to achieve common goals.

"The Republic of Hungary, its assembly and the Hungarian nation itself are ready to do their bit to create truly neighbourly relations between Hungary and Romania based on mutual respect," the telegram concludes.

Demonstration Held in Front of Romanian Embassy

AU0412203690 Budapest NEPSZABADSAG in Hungarian 3 Dec 90 p 10

["(T.A.)" -signed report: "Demonstration in Front of the Romanian Embassy"]

[Text] Late in the afternoon of Saturday, 1 December, the Hungarian National Party [Magyar Nemzeti Part] organized a peaceful demonstration in front of the Romanian Embassy, along with several other organizations.

The approximately 50 demonstrators were protesting against the Romanian Government's decision to declare 1 December a national holiday.

A delegation from the ranks of the demonstrators handed over a memorandum to the Romanian Ambassador; the memorandum had been jointly elaborated by the Hungarian National Party and the Transylvania Society [Transsylvania Egyesulet].

Our correspondent was told that the demonstration had been announced in advance, so it was perfectly legal.

More Groups Declare Support for Walesa

LD0412203390 Warsaw Television Service in Polish 1830 GMT 4 Dec 90

[Text] The following groups today declared their support for Lech Walesa in the second round of presidential elections: the Democratic Party, the PAX Association, the main board of the Union of Siberians, and the Independent Students' Union.

The presidium of the National Trade Union Accord Council, however, stated that during the second round, the future of Poland should be decided by the convictions of every trade unionist.

Walesa Outlines Future Plans for Army

LD0412230590 Warsaw Domestic Service in Polish 1900 GMT 4 Dec 90

[From the "Election Studio" program]

[Excerpt] [passage omitted] Now we go back to Lech Walesa's election program. We have already talked about agriculture, which needs subsidies, about taxes, which would encourage development, and about unemployment. Today we will discuss the Polish Army in Lech Walesa's program, "A New Beginning."

The army is a vital factor for the protection of the state's sovereignty and integrity. The strength of the army should make any potential invasion of Poland unprofitable for the invader. The only center to issue orders to the Polish Army should be the General Staff of the Polish Army. The type and the source of origin of weapons must no longer make the Polish Armed Forces dependent on external monopolistic supply. Soldiers' education should refer to the traditions of independent Poland [1918-39]. Special care should apply to former servicemen who spilled their blood for our homeland and remain retired soldiers for life. In the future, army service should be professional, on the basis of voluntary recruitment. The supreme commander of the Armed Forces should be the president.

[Begin Walesa recording] We must have a beautiful army, a shapely [as heard] army, so that it does not pay anyone to come here. We have to look after the army again. I have said this so that this army is our security, so that during this difficult time, in a single reorganization no one disturbs what we have to do. [sentence as heard] And in connection with this, in spite of the poverty, we have to take care of external security to attain internal peace. [end recording]

The future president of the Polish Republic, apart from international issues, will play a very important role in defense capability matters. What alliances are there, what kind of army is it, how it relates to the society, who and when can make use of it—these are just some of the questions which the future president, along with his new national security council, will have to answer. [passage omitted]

Tyminski Holds News Conference on Walesa

LD0412203190 Warsaw PAP in English 1752 GMT 4 Dec 90

[Text] Warsaw, Dec. 4—"I did not and I do not call for an axe although Walesa has already received one. I shall not put fire under the pot with the 'Polish hell' and I shall not draw contracts with the devil over this pot while veiling myself with the plaque with the picture of Our Lady of Jasna Gora," said Stanislaw Tyminski during his press conference here today.

"I say that I want to be president of the Republic of Poland. On December 9 I shall not cast my vote for Lech Walesa although like nearly all Poles I respect him for what he has done for Poland, Europe and even the world in the last 10 years as a man of Solidarity, its symbol and one of its leaders, as Solidarity is not Lech Walesa alone," Tyminski said.

In his statement Stanislaw Tyminski said: "(I wonder) when and if at all Poles will ever learn who if the prominent activists of Solidarity were secret police agents as, according to reports of Polish mass media, there is evidence to prove it. I am asking: Will Lech Walesa do it if he is elected president, will he have the confidential materials disclosed to public opinion? I also do not declare that I will become president only if I win 80 per cent of votes nor that I will leave Poland only because Lech Walesa has won elections, the things that he has declared vis-a-vis me," he said.

"I am genuinely independent. I have not been supported by any groups or parties. I have been slandered. I have not been appointed as candidate either by Lech Walesa or by any other groups. I have no nomenklatura ties or any other. Thus while casting votes for me on December 9 you can give Lech Walesa a chance to leave Poland but it is doubtful whether he would keep his word, also this time," Tyminski said.

Election Rally Attendees Prevent Tyminski Address

LD0512004790 Warsaw PAP in English 2116 GMT 4 Dec 90

[Text] Katowice, Dec. 4—About 4,000 people gathered in a sports hall in Jastrzebie Zdroj, southern Poland, today did not allow Stanislaw Tyminski to address his electoral meeting.

Supporters of Lech Walesa and Stanislaw Tyminski held a real shouting battle.

During the first hour of the meeting Tyminski was able only to greet the miners on their holiday and shout out a few sentences.

At a certain moment Tyminski and his wife joined with the crowd in shouting the slogan "Down with Walesa."

Daily Portrays Tyminski, Criticizes Staff

AU0412084090 Gdansk TYGODNIK GDANSKI in Polish 25 Nov 90 p 10

[Barbara Sulek-Kowalska report: "The Philanthropist From the Land of the Incas"]

[Text] Who exactly is Stanislaw Tyminski? Is he a profound idealist who nurtured dreams of saving the fatherland during years of toil in Canada or Peru? Or is he just a cold, calculating businessman who has carefully worked out the profits to be gained from running for president?

He gained 140,000 signatures, half of them at the very last moment. His campaign is run by a professional advertising agency, whose employees have said that this is a "great experience." Its client made a good impression on them; he was businesslike and well versed in Polish affairs.

The presidential candidate's election manifesto provided scant information. All that is known is that he left Poland in 1969 with $5 in his pocket, made a fortune, and has now come back because "the country is in need. A terrible crisis is sapping the nation's strength and threatening our economic sovereignty." All the candidate asks for is the opportunity to publish his Polish rescue program in the media and public places, and encourages people to read his book, "which presents the experience gained during a struggle against poverty and misery in many countries, together with concrete suggestions for emerging from the crisis."

The appeal was carried on the advertising pages of GAZETA WYBORCZA and was also printed by SZTANDAR MLODYCH, with which the candidate has already established closer links and has even said he wants to buy it.

Neither is there much information to be gained from reading his book "Sacred Dogs," written in July and published by "Officina." Connoisseurs of the publishing market do not rule out the possibility that the book was written solely for the election campaign. It costs 22,000 zlotys, and is selling like hot cakes. It is neither an autobiography, nor a memoir, nor a novel. It is not as collection of essays. It is not a moral-political or historical treatise. It is not a textbook. At most it is a collection of suggestions for those who lack the courage to dive into the deep end of their own enterprise. It is also a collection of catchy slogans for those who do not like everything about our present reality.

"The purpose of my book," the author writes, "is to shake the Poles out of their lethargy and dispel their daydreams, for they obviously fail to realize that today Poland is the target of major aggression. The objective which may united Poles around the world in a common action is war."

He means economic war. Poland must engage in a partisan war. It must attack. This book is all about struggle—struggle for position, for profits, for clients, for money. Even Mao Zedong and Che Guevara are cited to kindle the spirit of struggle.

Roman Samsel, the Polish United Workers Party [PZPR] writer and implementer of PZPR cultural policy, helped the author write his book. On page one, the author thanks him for his help. The book contains an extensive introduction by Samsel. He also wrote a biographical electoral article on Tyminski for SZTANDAR MLODYCH, as well as biographical notes appearing on election handouts. Normally, there would be nothing odd about that because Roman Samsel is an authority on Latin America and has written many books on this subject. For many years he was TRYBUNA LUDU's Latin American correspondent. But the odd thing is that this connoisseur of Latin America writes about the Peruvian city of Iquitos as if it were an outpost of civilization that Tyminski has at last brought into the world. In fact, Iquitos is the fourth largest city in Peru, the capital of the largest province, Lorebo, and a major commercial and tourist center on account of its situation.

Furthermore, Stanislaw Tyminski is not the only Pole who has waged a struggle with Polish consulates to obtain his Polish passport, so why does Samsel present him as the man who has "never betrayed his country"?

Finally, the very same martial law that prevented Stanislaw Tyminski from coming to Poland, a fact Samsel mentions in such an accusatory tone, brought Samsel himself considerable social, political, and professional standing. Do neither of the gentlemen realize the irregularity?

In his book and in the "Economic Program Theses" that have already been published (there are exactly 21 theses!), the presidential candidate says a lot about Polish emigres. He says, and correctly, that "in the country's present situation, it would be a political crime to ignore the Polish emigre communities and their potential." But it does not seem as if this candidate is capable of winning the support of these communities, just as it does not seem as if he has full knowledge of all the problems in relations between Poland and its emigre communities. The emigre communities have simply never heard of Stan Tyminski.

At his first news conference on 30 October, Tyminski avoided giving any details. He rejected the accusation that he had bought people's signatures. He admitted he was not prepared to answer the question what kind of president he will be. He did say when he made his first million dollars (10 years after leaving Poland and five years after setting up his firm), and what kind of education he has (an electronics school in Poland and numerous courses in Canada ranging from marketing right up to games theory). He repeated the idea contained in his book whereby Poland needs nuclear weapons, and said that no one really knows if Poland already has such weapons.

He aimed an appeal to Poles outside Poland and said at the same times that his contacts with Polish communities in the free world had been very loose until now. Asked about the Canadian Libertarian Party of which he is chairman, he explained that this is a "fundamentally moral party, which is not out to win any election," that it has 3,500 members, and that it brings tax concessions to those who finance it, for such is the tax system in Canada. He said that when he was in Peru he was offered a high-ranking administrative post in Lorebo Province, but turned it down because he wanted to remain an honest man.

Asked about the criteria he had applied when choosing his staff in Poland, he replied that he was only interested in professionalism. He is not interested in opinions, world outlook, religion, or any affiliations—just professionalism. He also pleaded not to be asked what he would do if he lost the election, for he thinks that is out of the question. He has worked all his life for nothing but victory, just like a soldier off to war, or even a samurai.

Finally, he asked the journalists to be considerate toward him, for "as far as out office is concerned, we do not enjoy good contacts with the press."

At this point I felt surprise and anxiety. We wanted to give our readers a profile on Stanislaw Tyminski in an exclusive report. But his election bureau, probably in concert with Tyminski himself, started to dictate terms to us. First they wanted to know in which issue the report would appear. We mentioned two possible issues, either 4 November or 11 November. They also wanted to know what kind of paper TYGODNIK GDANSKI is and who publishes it. One would think that the election bureau of a presidential candidate would know something about the Polish press and even make some sort of an effort to publicize its boss.

Twenty-four hours later, the bureau conveyed the following condition. First, TYGODNIK must send, or fax, or telex a statement that it will definitely print the report in one of the issues previously agreed upon. "Mr. Stanislaw Tyminski is a serious and businesslike man and he cannot waste time on an interview that may not prove fruitful," said a Mrs. E.B. from the bureau.

Because we too are a serious and businesslike paper, there was no interview with Mr. T.

I do not know who Stanislaw Tyminski is, and I do not know who Mrs. E.B. is. All I know is that they are leading the press astray, especially our TYGODNIK.

It is not my usual custom to say where I obtain the material for my articles, but this time I have had to do so to present my readers with a portrait of Stanislaw Tyminski, candidate for the post of president of the Republic of Poland.

Lukasiewicz Assesses Post-Election Situation

AU0312145790 Warsaw RZECZPOSPOLITA in Polish 28 Nov 90 pp 1, 2

[Maciej Lukasiewicz commentary: "Toward an Intelligent Opposition"]

[Text] The violent emotions linked to the first round of the presidential election are slowly subsiding. Individual camps and political forces, together with the candidates' election staff, are analyzing their losses and gains, for the balance sheet resulting from it is not identical for everyone. Everyone, however, has to draw conclusions from it.

The most far-reaching conclusion has been drawn by Prime Minister Mazowiecki, who immediately tendered his and his government's resignation. Although many have reacted to this step with mixed feelings, it suits the situation. The prime minister said he would take this step if he lost, apart from which it is a normal thing to do in a democratic system. After all, the government will not empty its desks overnight and will continue in office until the new head of government has been appointed, except that during this transitional period it will not make any strategic decisions so that its successor can have an easy start.

It ought to be realized that differences of opinion in this matter have appeared among ministers. The closer they are to practical economic life, the greater their feeling of responsibility for matters which require a solution without delay, for the next government will not be able to commence normal activity until January. And yet there are matters that cannot wait that long—the budget must be placed before the Sejm, economic talks have to be held with the Soviet Union, further Polish-German documents must be concluded, etc.

Last Sunday was also a setback for Walesa not only because he failed to obtain more than 40 percent of the votes, but also because it had become apparent earlier on that his forceful pluralization of "Solidarity" was premature to say the least. There are certain processes that have to take place slowly and in their own good time, and that democracy cannot be accelerated without unexpected side effects.

From this angle, all of "Solidarity" suffered a setback, and "Solidarity" as a whole should learn a lesson from it. We wrote recently that many Poles would be facing a great dilemma by having to choose between Walesa and Mazowiecki because for many of us it would be like choosing between one family member and another. Maybe that is not what the political elites felt, but most of the humble electorate surely did feel it. The fact that 40 percent of the electorate did not vote at all is significant, and perhaps here lies part of the answer to Tyminski's success.

And his success is a painful question mark. One day a "man from nowhere" appears at Okecie Airport and says he wants to be president of Poland. All we know about him is what he says himself. He promises a paradise on the Vistula. He is incapable of piecing together a coherent answer to any question. He is not backed by any organized political force, not even a minute one. Can the president of a country with 40 million people, in the heart of modern Europe, really be anyone who fancies this post, anyone who wins a few votes and outdistances well-known figures who toiled over many years to make themselves known and who overthrew communism?

Next Sunday Tyminski will face Walesa. But this will be a challenge not just for Walesa, but for the entire "Solidarity" formation. That is why I think that the prematurely divided "Solidarity" has no alternative but to close its ranks and establish an alliance for Walesa. In the end, even temporary, tactical alliances are a normal part of the political game.

A lot of nasty things were said on both sides over the past few weeks. On each side there was demagogy and a lack of moderation. Now, both Walesa's people and Mazowiecki's people should put all their differences and emotions aside and consider every single word they say in the difficult debate after the first round. For it is already possible to make an effort to build a normal, democratic political stage which contains no room for dangerous surprises.

The fact that Mazowiecki has said he would go into opposition if Walesa wins and that he has already asked his election committees to build a suitable opposition structure is no obstacle to the establishment of this Walesa alliance, for a modern, intelligent opposition should be capable of choosing its opponent if it has no chance of political success itself. The emergence of the alliance in question, which seems to have been signalled in Monday's appeal by the prime minister's election staff and especially in Tuesday's statements by Walesa, should serve as a strong encouragement to all those who now feel frustrated and upset by Mazowiecki's defeat and who say that they will stay at home during the second round. That is the worst thing that could happen. One cannot reject the mechanisms of democracy just because they do not work they way we want them to.

Conclusions from what has happened—and what might happen—should be drawn in Warsaw, Gdansk, and the whole of Poland.

Michnik Reviews Government's Difficult Mission

AU0312175190 Warsaw GAZETA WYBORCZA in Polish 29 Nov 90 p 1

[Adam Michnik commentary: "A Polish Warning"]

[Text] The votes for Lech Walesa and Stan Tyminski signified a rejection of the government's policy. Therefore the government had to step down immediately. One cannot pursue difficult policies calling for sacrifices if one does not have the support of society.

It was clear from the very beginning how difficult the government's mission would be, involving a transition from communism to democracy.

The whole world held its breath. Would the Poles succeed? Would they avoid a conflict with Moscow? They did. Moreover, Poland's example proved infectious. It became a catalyst for changes in other Central and East European countries.

We at GAZETA WYBORCZA were one of the first to speak out in favor of this government ("Your president, our prime minister") and later on we were this government's patient supporters. We were never apologetic; we printed criticism all the time.

We believed, however, this government needed help, and not an addition of demagogy and insinuation to the troubles it already had. We have always abhorred that kind of polemics. That is why we regarded such slogans as "war at the top" and "acceleration" as an attack on the prime minister and the government's policies.

People's lives became hard. That was the price of the transformation, and people understood the reason for their patience. But then they heard voices saturated with lies and hatred, claiming that nothing had changed in Poland, that a communist nomenklatura was still in power and was stealing Poland's assets, and that that was the reason for the lack of funds for pensions and for subsidies for mining and agriculture. So people suddenly felt confused and cheated.

Thus, the social accord around the government's reformist policies was destroyed.

The government and the communities that support its policies were unable to explain their objectives convincingly enough. Honest arguments failed to counteract aggressive rumors and empty promises.

And then Stan Tyminski appeared, next to whom Nikodem Dyzma [a Polish literary figure who became a successful businessman through lies and deception] looks like an amateur. His success has turned out to be a defeat for intelligently-thinking Poland and a disgrace for all of us.

If Lech Walesa referred to his own myth and the frustrated part of the former "Solidarity" camp, Tyminski referred to the frustration of those who do not identify themselves with "Solidarity." A mixture of the two frustrations sealed the fate of the Mazowiecki government.

One could say that Tyminski is a caricature of the political style that Walesa has publicized at his meetings. "Anyone of us could be president," he used to say. Well, in that case so can Stan Tyminski.

We do not want to idealize the Mazowiecki government, but in the course of one year that government abolished censorship, halted inflation, filled the shop shelves, drafted an independent foreign policy, and demolished the totalitarian security apparatus. We left communism behind.

And at the same time, Poland avoided force, hatred, and revenge. The philosophy of building a democratic Poland based on Christian values, a Polish parliamentary order, and a market economy aroused the whole world's respect.

Following Tyminski's success, Poland has become a warning to the world.

I am convinced the Mazowiecki government has done a great deal for Poland, and I feel that Tadeusz Mazowiecki's political camp rendered a service to Poland when he ran in the election, fighting for the chance to continue.

The ideas and values this first noncommunist prime minister defended constitute a priceless treasure of the best Polish traditions.

Court Suspends Solidarity 80 Registration

LD0412202290 Warsaw Domestic Service in Polish 1800 GMT 4 Dec 90

[Text] Seweryn Jaworski, the deputy chairman of Solidarity 80, has reported that the Supreme Court—at a closed meeting—decided to suspend registering Solidarity 80 until passage of a new law on trade unions.

U.S. Defense Secretary Cheney Pays Visit 4 Dec

Discusses Security With Kolodziejczyk

LD0412173290 Warsaw PAP in English 1504 GMT 4 Dec 90

[Text] Warsaw, Dec. 4—U.S. Secretary of Defence Richard Cheney met here today with Polish Minister of National Defence Vice-Admiral Piotr Kolodziejczyk.

During an over two-hour-long meeting Cheney and Kolodziejczyk discussed matters pertaining to European security. The guest was familiarized with the changes in the Polish Army. Discussed were also issues related to cooperation between Polish and U.S. Armed Forces.

Views Gulf Conflict With Mazowiecki

LD0412213290 Warsaw PAP in English 2005 GMT 4 Dec 90

[Text] Warsaw, Dec. 4—U.S. Secretary of Defense Richard Cheney was received by Prime Minister Tadeusz Mazowiecki today. Earlier he discussed matters pertaining to Polish economy with Vice-Prime Minister Leszek Balcerowicz.

During a meeting with Poland's Foreign Minister Krzysztof Skubiszewski the two discussed questions related to the Gulf conflict, possibilities of solving it and further development of the situation as well as matters of European security.

Starts Arms Talks With Kolodziejczyk

LD0512062890 Warsaw Television Service in Polish 2216 GMT 4 Dec 90

[Text] U.S. Secretary of Defense Richard Cheney has started talks in Warsaw. He is the first Pentagon chief to visit Poland. Cheney held talks today with Prime Minister Mazowiecki and Deputy Prime Minister Balcerowicz. He also met National Defense Minister Piotr Kolodziejczyk, who told REUTERS that first shipments of U.S. weapons to a Warsaw Pact member-state may be expected. Poland is interested in purchasing F-16 fighters from the United States. The final decision in this matter has not yet been made. Minister Kolodziejczyk was also asked about the possibility of stationing U.S. Armed Forces in Poland. The answer was: This matter had not been discussed.

Examines Disarmament With Kolodziejczyk

LD0512004190 Warsaw PAP in English 2211 GMT 4 Dec 90

[Text] Warsaw, Dec. 4—U.S. Defence Secretary Richard Cheney arrived in Poland today for an official visit. He was welcomed at the military airport in Warsaw by Minister of National Defence Vice-Admiral Piotr Kolodziejczyk.

The United States is a country with which we, as a nation, have always wished to maintain good relations for it was very friendly to us, Vice-Minister of National Defence Janusz Onyszkiewicz told PAP. We have wished the United States to play an important role in European policy and to be present in Europe both politically and militarily. Hence, the need, and the mutual desire as well, to maintain good relations in these fields.

We want to talk with Mr. Cheney about the Vienna negotiations, disarmament talks, the architecture of Europe, the structure of European security, and about direct military exchange. It is not about what has become the leitmotif of various rumours; the purported stationing of U.S. troops in Poland. This is, of course, out of question, there is no such need at all. What we want is to be able to send our officers to study in the United States, to find out what are the possibilities to purchase arms there.

During their conversation, Richard Cheney and Piotr Kolodziejczyk exchanged views on a number of questions which make up the atmosphere in Europe and in the world, reads a communique released to PAP.

Both sides stated that the consolidation of disarmament trends, progress in the disarmament talks, and the social and political changes in Central and Eastern Europe, support the profound reconstruction of the international relations, especially those in Europe.

Talks were also held about the specific questions of mutual cooperation. Both sides consider it purposeful to establish closer contacts between the Polish and U.S. Armed Forces. Poland's request for consulting assistance on prospective questions of the system of armaments and equipment in the Polish Army was well received.

The talks also concerned other issues, such as further stages of the Vienna talks, and the withdrawal of Soviet troops from Poland.

Official Interviewed on Soviet Army Withdrawal

AU0412111990 Warsaw ZYCIE WARSZAWY in Polish 30 Nov 90

[Interview with Jacek Ambroziak, chairman of the Government Commission for the Withdrawal of Soviet Forces From Poland, by Elzbieta Pawelek; place and date not given: "Exit"]

[Text] [Pawelek] How many Soviet soldiers are there in Poland? Various figures are given. Some claim there are as many as 200,000.

[Ambroziak] That is a major exaggeration. Right now there are about 50,000 Soviet soldiers, most of them in northern and western voivodships. It is difficult to give an exact figure because the forces are constantly on the move, are constantly intermingling. That is what creates the impression that there is such a large number.

[Pawelek] The withdrawal of the Soviet Army from Poland is an emotional issue. When will it happen? Poles feel that the presence of a foreign army is a threat to the democratic changes in Poland, especially because, as the Senate has said, the dependence imposed on us in 1945 was no liberation, and the official friendship was humiliating.

[Ambroziak] We want the last Soviet soldiers to leave our country by 31 December 1991. There have been talks in Moscow on this subject recently, and they will be continued in Warsaw soon. As we know, the Soviet forces in Poland are stationed here on the basis of the 1956 treaty, which is unfavorable for us in many respects. It has caused problems with housing and environmental damage, and it raises the question of criminal responsibility which some Soviet soldiers should face because of illegal activities. Therefore new agreements covering the Soviet Army's withdrawal from Poland are required, together with a revision of the conditions governing its deployment in Poland until it leaves our country.

[Pawelek] What conditions is the other side demanding?

[Ambroziak] One must not betray the secrets of the talks because that could harm our own interests. Views on many issues are divergent. The Soviet side agrees to the withdrawal of its forces from Poland, but thinks it should take place over a longer period of time. The Soviet side wants its forces here to provide an infrastructure for its forces in the former GDR. We on the other hand believe such an infrastructure is totally irrelevant now that the Soviet Army is being withdrawn from East Germany.

[Pawelek] Not so long ago (seven months), Ministry of National Defense representatives said that withdrawing the Soviet Army from just one locality—the Brzeg military airfield which is a particular problem for the civilian population—would cause a "loophole in our defense system." How can one justify such a sudden volte-face?

[Ambroziak] Poland has completely altered its defense policy, so earlier views are no longer valid. A medium-sized country like ours will not pursue an offensive policy. The point is to safeguard its peace and security, and we are capable of doing that with our own resources.

Withdrawing Soviet units from Poland is a relatively easy matter. A much more serious problem we are facing is the transit of the Soviet Army from East Germany. Some 380,000 men and their families are leaving that country, a total of about 1 million people. Hundreds of thousands of tonnes of heavy equipment are going to pass through Poland, and this exodus will start before the end of the year. In this situation we have to conduct tripartite talks, not just with the Russians, but also with the Germans. We need guarantees that society will not suffer as a result of this great military movement, that roads will not be damaged or railroad lines blocked. All this is the responsibility of my commission which, despite what people say, was not appointed just because of the election campaign. It is an interministerial body because of the complexity of the problems. It consists of representatives of the Ministry of Foreign Affairs, Ministry of Internal Affairs, Ministry of Transport, and Ministry of National Defense, and also intends to invite the minister of environmental protection and minister of health to cooperate. We also want the voivodes of those voivodships where Soviet forces are stationed to take part in the commission's work.

[Pawelek] Some people maintain that the commission has been appointed too late and is now facing problems that are too big for us.

[Ambroziak] Polish-Soviet talks were already held last year, so one cannot accuse the government of not being interested in this topic. Proper conditions for the Commission's functioning have only now come into existence, with the commencement of talks on a broader scale.

[Pawelek] The report drafted by the association of areas where the Soviet Army is stationed reads: "In Zagan, a Soviet tank caused a bridge to collapse. In Olawa, a Soviet unit demolished a 19th-century historic building without the knowledge of Poles. In Szprotawa, buildings handed back to Poland by the Soviet Army are so damaged that no one wants to live there." How is the question of compensation going to look?

[Ambroziak] I do not know how to answer this question right now. I think this topic will become the subject of talks, but I cannot envisage their outcome. Hungary is facing a similar problem right now, and a great deal of controversy is arising. It is extremely difficult to put a value on the damage caused by the Soviet Army's stay in Poland, especially because it lasted 45 years. We are trying to do so, of course. For example, a commission, the first of its kind, has just been appointed to examine the damage to the environment in areas where Soviet units are stationed. We will also attempt to establish to what extent the Soviet Army has damaged woodland and farmland. This is Sisyphean work, considering the fact that these units have been transferred elsewhere, but we want to possess the necessary material on which to base our talks. It will be necessary, especially because the Russians also claim to have incurred losses while building and reinforcing airfields and houses in Poland. The Polish Government wants all this to be calculated honestly and the damage repaired. A more urgent matter, however, is to restore to Poland the areas occupied by the Soviet Army, whether for the needs of the Polish Army or the civilian population.

[Pawelek] The Soviet Army is continuing to make use of forest areas and farmland on exactly the same principles as the Polish Army, in other words for nothing. This involves hundreds of thousands of hectares of woodland and farmland, tens of thousands of hectares of lakes and reservoirs. We are still subsidizing the Soviet Army's stay, yet there is no question of being able to afford it!

[Ambroziak] Like I said, it is necessary to revise the conditions governing the Soviet Army's stay before it is finally withdrawn. Normal principles of payment must be restored, in other words full charges must be introduced for the use of land and the environment, for the consumption of gas, electricity, water, food, etc.

[Pawelek] Compared with other countries, how far have we come on the road to withdrawing Soviet units from Poland?

[Ambroziak] As far as the number of soldiers is concerned, we have not made any move, but the Soviet Army has been stationed in Poland according to slightly different principles than in Hungary. Soviet forces entered Hungary in 1956 and remained there ever since. They entered Czechoslovakia in 1968 and also remained there ever since. The Soviet Army in Poland was part of the army that went to Germany. Its stay was legalized by the 1956 agreement, which was binding on both sides. The Soviet Union admits that times have changed and that there is no need for its forces to stay here. In any case, the Warsaw Pact has changed completely. It is heading toward disintegration just like CEMA. The structures that were imposed by a single country are ceasing to be binding. Poland is becoming a sovereign country.

[Pawelek] That is paving our way to the Council of Europe.

[Ambroziak] The presence of the Soviet Army is not an obstacle to our membership in the Council of Europe or the EEC. Obstacles are an absence of democratic parliamentary elections and, in the case of the EEC, the lack of a suitable technical infrastructure and economic institutions. There is no relationship between membership in the Council of Europe and the presence of armed forces. For example, there are various armed forces in Germany, yet Germany has belonged to the Council of Europe for years. In the changing Europe, the stay of any foreign forces in Poland is quite simply irrelevant.

Skubiszewski Comments on London NATO Session

LD0412204790 Warsaw Domestic Service in Polish 1800 GMT 4 Dec 90

[Interview with Foreign Minister Krzysztof Skubiszewski upon his return from the NATO General Assembly in London and the Venice conference; by Magdalena Winiarczyk; at Warsaw Airport; date not given—recorded]

[Text] [Winiarczyk] In your speech at the NATO General Assembly you said that each state has the right to equal security. What does that mean in practice?

[Skubiszewski] There cannot be selective security. It means that there are parts of Europe that are better guarded—by NATO—and there is, as it were, some kind of a gray zone. I resolutely opposed it. This was my point of departure for indicating that NATO's or other European organizations' indifference to what is going on across Europe is unacceptable. Indivisibility of security is not a slogan, because it was already in use by different people and for different purposes before the war. Today, in view of the restructuring of Central and Eastern Europe, it has a very practical significance. But because of our and the West's relations with the USSR, it requires very careful work and very skillful—I would even say more than skillful—it requires wise diplomacy. I cannot quite clearly see the West having any concept here. Consequently it was necessary, in my opinion, to raise these issues. [end recording]

Reportage on Skubiszewski Visit to London

WA0411192390

For reportage on the visit by Minister of Foreign Affairs Krysztof Skubiszewski to London, including reports on his address before the North Atlantic Assembly, please see the International Affairs section of the 4 December West Europe DAILY REPORT and subsequent issues.

Official Lists Ways To Solve Romanian 'Problem'

LD0412182590 Warsaw Television Service in Polish 1615 GMT 4 Dec 90

[Text] No witchhunts and no manhunts nor expulsions, said the plenipotentiary for refugees, Zbigniew (Skoczyra).

Every Romanian citizen entering Poland will receive an information leaflet. He has to have a ticket, a date of return, a reserved seat, and 200,000 zlotys per day's stay in Poland. The police have the right to enforce this. Systematic health inspections will be conducted where the medical services are present.

These are the newest ways of solving the problem of Romanian citizens.

EBRD President Attali Continues Official Visit

Meets Privatization Officials

AU0412193890 Bucharest ROMPRES in English 1615 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—The president-designate of the European Bank for Reconstruction and Development [EBRD], Mr. Jacques Attali had a meeting Tuesday with students of the Academy of Economic Sciences and of the Political Science Department in the Bucharest University.

On the occasion, Mr. Attali made an expose of his opinions on the ways the east-European countries can take in their transition to democracy and a market economy, two processes that go hand in hand but are hampered by lack of experience on the matter. In fact, he said, there is no such thing as an absolute economic theory or as a generally valid economic law.

Such a transition is however necessary because the development of eastern Europe is a prerequisite for European and world peace.

Referring to Romania, Mr. Attali said, among other things:

I could see you have many trump cards, but many drawbacks as well. Romania's greatest advantage is that of being a European country, that is accessible to the great markets. Your history and culture are remarkable and the intellectual level very high. But the shortcomings are enormous, beginning with the absence of advanced political and economic institutions.

EBRD, which groups all the European countries for the first time, is ready to help Romania and any other member country in various fields, such as training of personnel, modernisation of infrastructures, privatisation, updating of telecommunications systems for their interconnection with the European network.

Monday afternoon, the EBRD delegation headed by Mr. Attali had interviews with Petre Terzi, secretary of state at the National Privatisation Agency, Misu Negritoiu, secretary of state, and Petre Szel, under secretary of state at Romania's Foreign Capital Investment Promotion Agency (ARPIS), with communications minister Andrei Chirica, environment minister Valeriu Eugen Pop and Minister of Agriculture and Food Industry Ioan Tipu.

Confers With Iliescu, Roman, Others

AU0412204990 Bucharest ROMPRES in English 2030 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—The leaders of the two chambers of the Romanian Parliament—the Senate and the Assembly of Deputies—Messrs. Alexandru Barladeanu and Dan Martian had a talk on Tuesday, 4 December, with Mr. Jacques Attali, president of the European Bank for Reconstruction and Development—EBRD.

Tangible means by which the European Bank for Reconstruction and Development can support the Romanian Government's programme of reforms were surveyed Tuesday, during the interview Prime Minister Petre Roman had with Mr. Jacques Attali, EBRD president designate. Priority was given to modalities through which the EBRD could contribute to the development of the private sector and to the process of privatizing state enterprises. Means were also discussed of initiating certain projects among which a wide-scope one concerns the environment, the protection of the Danube which also concerns the riparian countries. The framework was outlined for a future collaboration between the European bank and Romania, which includes the granting of technical assistance in support of the reform, among priorities being investment projects in telecommunications and agriculture, technical assistance for the finalization of privatization technicalities and training for the banking sector and so forth.

Talks were resumed during the luncheon the Romanian premier gave in honour of the guest.

The interview was attended by Adrian Severin, minister, adviser to the prime minister for reform and relations with Parliament, Theodor Stolojan, minister of finance, Ioan Tipu, minister of agriculture, Mugur Isarescu, governor of Romania's bank.

The same day Mr. Jacques Attali met Mr. Anton Vatasescu, minister of state in charge with industrial and commercial activities. The guest was informed about the government's outlook on the restructuring of industry, a suggestion being made that the restructuring of large industrial units should be paralleled by privatization, through the participation in the capital of the enterprises undergoing such a process of both the EBRD and private enterprises in developed countries.

The European Bank for Reconstruction and Development—EBRD—is ready to support by specific means the measures taken by the Romanian Government for a passage to a market economy. That readiness was expressed during the Tuesday afternoon meeting President Ion Iliescu had with Mr. Jacques Attali, EBRD's president designate. Speaking on behalf of EBRD, Mr. Attali said it was ready to give technical assistance in staff training, in identifying investment possibilities to attract foreign capital and in stimulating and encouraging the development of a capital market.

During the talks that took place at the Cotroceni Palace, described as open and sincere, the parties also tackled topics related to the process of democratization and to economic reform in Romania.

Views Helping Privatization Process

AU0412213990 Bucharest ROMPRES in English 2112 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—At the conclusion of his two-day visit to Romania, Mr. Jacques Attali, president designate of the EBRD [European Bank for Reconstruction and Development], held a press conference where Romanian and foreign journalists were invited. Mr. Jacques Attali made a short presentation of his meetings and official contacts during this first working visit to Bucharest, the EBRD's intentions to help the member countries in the process of democratization and transition to a market economy, the projects involving Romania. "I and the Romanian prime minister signed," said Mr. Attali, "a first document defining several possible directions of the EBRD's activity in Romania which we will survey to see if they are efficient and useful. They include technical assistance in developing privatization mechanisms and the banking system, training of staff in the financial-banking sector, stimulation of foreign capital investment, modernization of infrastructures telecommunications, roads, transportation, energy protection of water quality, several environmental and agricultural projects."

Austrian Parliamentarians on Fact-Finding Mission

AU0412085390 Vienna Domestic Service in German 0600 GMT 4 Dec 90

[Karin Fischer report; place and date not given]

[Text] An Austrian delegation of parliamentarians headed by OeVP [Austrian People's Party] Deputy Wendelin Ettmayer arrived in Bucharest on a fact-finding mission yesterday [3 December]. The deputies will investigate the human rights situation in Romania. Then Austria will decide whether Romanian refugees will be deported from Austria to Romania.

What the so-called fact-finding mission has found out so far in Bucharest gives a confusing picture of the political situation. One thing is clear: Romania is facing enormous economic difficulties. Queues in front of shops can be seen everywhere. Robert Elmecker from the Socialist Party of Austria and Wendelin Ettmayer from the OeVP first spoke with students' representatives, including Marian Munteanu, who was nearly beaten to death in June by miners because of his protests against the government. They also held talks with representatives of the Human Rights League, whose president, attorney Stefanescu, openly stated that he would emigrate as well if he were younger, because he does not want to accept the methods of intimidation taken over from the communists any longer. This statement came as a surprise for the two members of the fact-finding commission. Wendelin Ettmayer described his first impressions in the following way:

[Begin Ettmayer recording] I must admit that my first impressions are not very pleasant. One knows that things are, of course, changing, and that the situation is much better than it was under Ceausescu's totalitarian regime. There are human rights violations, however, and we have also come to the conclusion that the structures have not yet changed in a way which would correspond to a modern democracy. According to information that we have received so far, it can be assumed as certain that the economic situation is extremely difficult, and that those who return to Romania from abroad will face difficulties in the sphere of jobs and housing. [end recording]

Robert Elmecker does not want to draw a final conclusion concerning the human rights situation in Romania after two talks.

[Begin Elmecker recording] I specifically asked Munteanu what reprisals Romanians returning to their country would be facing. He replied that he prefers people who do not run away from the country but remain here to struggle with him to democratize the country. He believes that people who return from abroad would not face major reprisals apart from problems in everyday life, including administrative problems, because the administration has not yet changed. In the second talk with Stefanescu, the opposite was claimed. Professor Stefanescu stated that Romanians returning home will certainly be facing security reprisals. Thus, we cannot draw a final conclusion after these two talks. [end recording]

The delegation will also meet with representatives of the minorities and religious groups. On Wednesday, a visit to Timisoara is planned, where the revolution started last year. One thing is certain at this point: There will be more demonstrations in the whole country on the anniversary of the revolution on 22 December, despite the fact that they have already been banned by the new government.

No Evidence of Political Persecution

AU0412103690 Vienna AZ in German 4 Dec 90 p 3

[Barbara Hoheneder, Christa Zoechling report: "'No Political Persecution'"]

[Excerpt] A "fact-finding mission" headed by Wendelin Ettmayer, the security spokesman of the Austrian People's Party, intends to provide a basis for the government's decision on the deportation of Romanian refugees. Austrian Council of Europe representative Fritz Probst returned from Romania last week.

Fritz Probst, a former deputy of the Freedom Party of Austria to the Austrian Nationalrat, is convinced that Romania is making progress on its course toward democracy. Nevertheless, he does not deny the continuing influence exerted by Securitate members in the new Romania. In an interview with AZ, Probst said that the opposition is convinced that the Securitate was involved in the violent suppression of the student revolt of June of this year. Nevertheless, Probst argues, the fact that "old structures" will play a certain role in a country that is on the path toward democracy, is nothing unusual. Still, in talks with government representatives one could gain the impression that the "young technocrats" are determined to stop all this. Probst praises the government of Petre Roman when he says that "they know that the events of June did great damage to the country's reputation." According to Probst, one can no longer speak of political persecution in the new Romania. This is why in his report Probst wants to propose Romanian membership in the Council of Europe with a special status. [passage omitted]

Prime Minister Discusses Visit to Germany

AU3011153390 Budapest NEPSZABADSAG in Hungarian 29 Nov 90 p 3

[Sandor Gyori report on news conference held by Prime Minister Petre Roman in Bonn on 28 November: "The Romanian Prime Minister Answered in One Sentence—In Principle, Correct Relations Are Possible"]

[Excerpt] Romanian Prime Minister Petre Roman spoke about his first meeting with Chancellor Kohl, his official talks in the FRG, and regional and international issues at his international press conference in Bonn on 28 November. Petre Roman also spoke about Romanian-Hungarian relations.

In his introduction, Petre Roman summed up his official talks and described his talks with Chancellor Kohl as good and sincere.

In his answers to a barrage of questions, Petre Roman also dealt with Romania's relations with Hungary. Correcting a journalist's question, Petre Roman said that, at the summit level of the European process, there had been no differences of views between Hungary and Romania on the Hungarian minority living in Romania.

He pointed out that Romania had adopted the declaration of intentions on national minorities which was formulated in a European framework. "I want to stress, however, that the recent Hungarian declarations according to which Hungary does not have any territorial demands on Romania and does not require a modification of our borders are very important for us"—Petre Roman announced.

Petre Roman then said that, in spite of the aforementioned facts, there are still things that are unacceptable for Bucharest. "We often said that the situation of Hungarians living in Romania should be closely compared to that of Romanians living in Hungary."

Petre Roman then made a rather interesting and unclear statement: "We often proposed comparing the rights of Hungarians in Romania with the situation of Romanians living in Hungary. Quite obviously, negotiations always broke up when we came up with this proposal."

Petre Roman did not make it clear where the fault lies, but the formulation of his announcement leaves no doubt about the fact that he intended all to be a criticism aimed at to Budapest. Our correspondent was not very successful at the news conference. He asked two questions, but Petre Roman completely disregarded these questions while patiently throughly answering other questions.

One of the two NEPSZABADSAG questions was:

"Mr. Prime Minster! During his visit in Bucharest, U.S. Congressman Tom Lantos proposed that President Iliescu hold meetings with the Hungarian president twice a year, or even more frequently, either in Budapest or Bucharest, in order to eliminate the Hungarian-Romanian tensions. What is your opinion about this?"

Our second question was:
"In your opinion, when will the relations between Romania and Hungary be similar to the current relations between France and the FRG?"

To all this, Petre Roman said that, in principle, it was possible to have good-neihborly and correct relations, in harmony with the spirit of European federalism. [passage omitted]

Roman's Remarks on Moldovan Sovereignty Explained

AU0412194490 Bucharest Domestic Service in Romanian 1800 GMT 4 Dec 90

[Text] A news conference took place at government headquarters in Victory Square with the participation of many Romanian and foreign journalists representing the great news agencies. On this occasion, Mr. Bogdan Baltazar, state secretary and governmental spokesman first presented the Romanian Government's statement on, we quote, "the alleged incitements made by the prime minister at the large rally in Alba Iulia on 1 December."

In connection with Mr. Petre Roman's interview to the daily DIE WELT, the government spokesman said that the term "sovereignty" of the Republic of Moldova was used, not "independence." As a matter of fact, he added, we know that this natural and normal position does not raise any objections, at least officially, from either the leadership of the Republic of Moldova and obviously the USSR leadership.

UDMR Leader Grants Interview to ADEVARUL

AU3011154290 Bucharest ROMPRES in English 1409 GMT 30 Nov 90

[Text] Bucharest, ROMPRES, 30/11/990—"We believe our specific interests do not go against Romanian national interests, on the contrary, they add a new dimension in the spirit of present-day realities in Europe", Mr. Geza Domokos, president of the Hungarian Democratic Union of Romania (UDMR) [Democratic Association of Hungarians in Romania], told daily "ADEVARUL" in an interview. Stressing that one of the principles of UDMR (with a membership of about 600,000) is giving a constitutional framework to minority rights within the general development of democracy, he appreciated that "a frank and efficient dialogue and mutual respect are most important".

Speaking about the reasons which caused Romanians to leave some majority Hungarian-inhabited counties, [the] UDMR leader said that, in his opinion, there were three categories of persons: the first comprised discredited members of former power structures local administration, Securitate, militia; the second specialists, most of them young, who had been given jobs in other areas of the country and who, after the population circulation from one region to another became free, preferred to return to their native place (like, in fact, a great many Hungarians who had been sent to work to distant Transylvanian areas); a third category, Mr. Geza Domokos said, included the victims of the former dictatorship's denationalizing policy who "were forced, through various means condemned by UDMR, to leave their homes".

Speaking about President Ion Iliescu's activity, the UDMR leader opined that "admitting to one's own errors and reestablishing morality in politics should be President Iliescu's essential concern." Geza Domokos added that "a real dialogue would be welcome, however diverging the opinions expressed, between the president and society, parliamentary forces and other forces outside Parliament", adding that UDMR had had many talks with President Iliescu "but without any concrete result".

UDMR president was of the opinion that "government programmes, however necessary they may still be, should take into account the population's mood, its capacity to understand new notions and its readiness to bear the burden of radical changes".

Senate Examines Unfair Competition Economic Bills

AU0412205290 Bucharest ROMPRES in English
2009 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—Tuesday the Senate resumed debates on the bill for fighting unfair competition. After being debated by articles the document was passed by the senators.

Another initiative of Romania's Government made the object of Tuesday debates the bill on setting under eight-hour work days for employees working in special conditions dangerous, difficult, noxious.

In connection with the third document on the session's agenda the abrogation of the State Council's decree no. 409 of 26 December 1985 regarding the increase of the tax paid by childless persons the senators decided to postpone debates as early as debates in principle, several speakers stressing that account should be taken of other normative acts as well, such as the income tax, not debated yet, and of the financial possibilities of the state.

The Senate will resume its proceedings Wednesday at 9 o'clock.

Government Spokesman Views Economy's Evolution

AU0412194690 Bucharest ROMPRES in English
1833 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—During his usual weekly press conference, Mr. Bogdan Baltazar, spokesman of the government, secretary of state, made the following points: industrial output is still below the 80 per cent recorded the same period last year. Total exports are far below possibilities and especially below the present import necessities. Thus over January 1-October 31, 1990, the situation is as follows: on the clearing relation 53.8 per cent of last year's export, and on the hard currency relation 56.5 per cent, while over the year's first ten months hard currency imports grew 152.4 per cent as to last year's same period. A certain decrease was registered by exports paid for in clearing rubles. Meanwhile the deliveries of home-made products on the internal market continued; thus in October they were 111.4 per cent of last October, in point of value, the deliveries of home-made products over January 1-October 31, 1990, increased by 33 per cent as to 1989's same period. But a number of goods are still below provisions for the same period: canned meat, milk, edible oil, alimentary pastes, radio receivers, tires, coal, refrigerators, freezers. Despite this deficit, said Mr. Baltazar, deliveries to the population increased. But the population's incomes increased even more: thus last year income absorption through goods purchase was 76.2 per cent, while now we have 73 per cent over ten months, which indicates a slight but noticeable inflationist pressure.

Refutes BBC Allegations About Roman

AU0412213690 Bucharest ROMPRES in English
2056 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—During a news conference on Tuesday, December 4, the government's spokesman, Mr. Bogdan Baltazar, secretary of state, made a few remarks about the claims by certain political parties and groups repeated by the BBC Bucharest correspondent in his account about Prime Minister Petre Roman allegedly inciting the public while representatives of the opposition were making their addresses at the great rally in Alba Iulia on December 1, 1990. He said he was authorized to underline the following: Such claims are in flagrant contradiction with reality and therefore unworthy of and uncivil to the participants in the Alba Iulia rally. A whole nation saw on television how the prime minister, joined by other Romanian dignitaries in the stands, repeatedly urged the audience to be quiet during those addresses which met with public hostility. In fact the prime minister saluted the crowds while undisputed speakers were giving their address and people were shouting among other things the president's name and his own. It would have been rude of the prime minister to ignore such tokens of popularity.

The government disapproves of any disorderly and intolerant conduct wherever that may come from and, therefore, disapproves of the shouting which inconvenienced some of the speakers in Alba Iulia. In that spirit, we expected similar disapproval both at home and abroad when shock groups in the streets did not content themselves to shout and boo during a FSN [National Salvation Front] entirely peaceful meeting on November 20 but even beat with chains and other "civic" tools the participants in that meeting, trod on their boards and banners and set those peaceful emblems on fire. Had the injured persons been already sentenced by any moral communist-like court of public opinion as those promoted by Sir Bertrand Russell in the years of the cold war to deserve now punishment by the street archangels? Actually, the government's spokesman goes on, it is not for the first time that representatives of some political parties are making irresponsible accusations against the prime minister. The public opinion is far from lacking in political discrimination as some seem to think.

As for BBC, the spokesman said, despite the great respect we have for that institution and its chief achievements, especially in the field of culture, after making a famous confusion of Sofia and Bucharest in a recent report, more distortions in the political comments of that radio station can no longer be a surprise. It is no surprise, in fact, that the present attacks are aimed at Romania's prime minister. The government and its prime minister being, according to the principle of power separation and to Romania's priorities at the moment, exponents of the assertion of the state of law, of the economic reform and Romania's definitely improving position in the world, the Romanian Government and its prime minister are targets against which all destabilizing attempts are now directed. That goes so far as to have the government and its premier asked by the leader of an opposition parliamentary group, the National Liberal Party, to account for and even resign because of the delayed report of a Parliament commission in which that party has two representatives when the government has, must and could have no authority over that commission.

The spokesman expressed in his statement the confidence that domestic public opinion whose large majority fully trust the prime minister and international public opinion who proves more and more confident about Petre Roman's government will be able to see through that cobweb of clumsy falsehood and find the truth as it is. Romania's Government and its prime minister have nothing to fear from a just appreciation based on facts by local or international public opinion.

Assembly Examines Interior Ministry's Status

AU0412205690 Bucharest ROMPRES in English 2018 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—On Tuesday the Assembly of Deputies adopted the bill on the organization and operation of the Ministry of the Interior, as the main organism supporting the executive. During the debates, which were quite heated, special stress was laid on the necessity that the Interior Ministry ensure through all legal means the observance of public order, the safeguarding of the citizens' fundamental rights and liberties, of public and private wealth, as well as prevention and discovery of all crimes and other infractions of law.

The same day the Assembly of Deputies started examining another bill, namely that on the income tax, which aims at creating a legal and unitary framework to ensure an equitable participation of all the economic agents to the state's income formation, according to their profits.

Roman Comments on 'Earnest and Fast' Privatization

AU0412132490 Bucharest ROMPRES in English 0927 GMT 4 Dec 90

[Text] Bucharest ROMPRES 4/12/1990—Essential questions for the course of reform and of the economy now have been discussed, Premier Petre Roman told the press at the end of Monday's weekly government session.

On the employees' participation in the boards of administration, the prime minister said that, considering the course of commercial companies to privatisation, it would be good if employees chose their representatives to sit on the administration board. We have agreed, the prime minister went on, that these new boards of administration should work out feasibility studies to chart the future course of these enterprises which could make them credible in the eyes of the government. For, much as they are autonomous they still depend on the government for resources and the general economic line, which is obviously the task of the government.

On the discussions about privatisation inside the government, the prime minister said, privatisation cannot be done at random, it is a process that is being built, adding that in Romania, privatisation should be done "in earnest and fast." In the next period, he went on, the government plans to lease through the right methods a large number of commercial, tourist, small-industry, services units and even transport equipment.

A good part of the government's session concentrated on foreign payments and the problems they raise, which require a sound knowledge in the period ahead of where resources should be directed, especially energy, petroleum and gas resources, the prime minister said and added that the situation which would cause problems in the coming period would not affect household demands and the everyday life of the population. Industry especially big industrial consumers, will be the first to be hit, the prime minister wound up.

Trade Official on Effect of Price Liberalization

AU2911145790 Bucharest AZI in Romanian 15 Nov 90 p 3

[Article by Adrian Bratescu, of the Foreign Trade Department, Ministry of Trade and Tourism: "Liberalization of Retail Prices—Effect on Foreign Trade"]

[Text] The monopoly over foreign trade activity has been ended. Today, foreign trade can be carried out at the level of both autonomous public agents and private agents.

Price liberalization requires that costs and profits be recalculated in accordance with the negotiated prices and in accordance with the supply and demand on both the domestic and foreign market. This process of continuous adjustment will also depend on the type of the foreign trade activity, the existence or lack of restrictions in the path of exports or imports, the way in which modifications are made to export-import relations, and the prices of importable and exportable products and of those products that are manufactured at home and earmarked for the domestic market. Taking into consideration the fact that prices in our country are linked to prices in other countries through the exchange rate, the changes in the exchange rate will influence the relative changes of prices. To simplify, one can say that any devaluation of the leu will act as a subsidy ad valorem in the case of exports and as an ad valorem tax in the case of imports.

Take exports, for example. What are the possible effects of price liberalization on exports? Currently, the counter value in lei of exported products is reimbursed to the exporters on the basis of prices obtained in hard currency on the foreign market and on the basis of the exchange rate of the currency that is being used. Thus, attention should be paid to the currency that is being used and to the development of its exchange rate compared to the leu. There should be the equivalent amount in lei to cover production costs, profit, export costs, and perhaps even the import-export firm's commission. Currently, production costs are affected by the change in domestic prices as a result of liberalization. This will have an impact on the competitiveness of Romanian exports and a moment of truth will come. For many exporters this moment of truth will be "painful." It could, however, become dramatic if we consider the tendency of certain producers—understandable but bound to lead to bankruptcy—to try to obtain big and immediate gains through price increases, which is made "possible" as a result of a lack of balance in the demand-supply relationship and the position of these producers on the market. In the short term, there is the danger of a significant reduction or even a total block of certain exports. The situation could become critical if we bear in mind the Romanian economy's relatively high level of dependence on foreign trade. This is the result of the dependence on raw material and energy imports and the existence of export-oriented production capacities—the remains of the efforts made in the past to repay our foreign debt at all costs.

What can be done? One solution could be imports; however, this raises the delicate issue of sources of currency. Should we resort to foreign credits? The answer to this question should be considered very carefully! One should not exclude the action of reviewing the provisions regulating the way in which prices for imported products are set, taking into account certain objections put forward by the importers. They claim that they have to sell at very low prices. There is some truth in this; however, it should be mentioned that under the current conditions, they are able to sell more, because demand is now much greater, even when prices are low. At the same time, exporters should not forget that the current provisions provide for the situation when the external value of exports is lower than the domestic value—taking the export price—and the retained amount of hard currency can be used either to import certain products—which, when sold in lei to the domestic market, will compensate for the unfavorable difference, or be sold on the market at a more favorable exchange rate.

One should clearly understand that the policy of "ruining" the consumer inevitably leads to the ruining of the producer or tradesman, regardless of their current position on the market. The later people understand these things, the greater the losses will be!

Under the new conditions, the exporters who are facing difficulties are creating increasing pressure to devalue the leu. This is natural, especially if we take into consideration the fact that the leu is currently revalued. We should not forget that devaluation as a measure has its drawbacks and has certain negative effects. Here are only a few:

—It affects all prices of exported or imported products, indiscriminately. All imports will become more expensive, including those which are essential.

—It obliges a redistribution of resources, which takes time and sometimes investment. If the economy does not have capability to adapt, costs can be substantial. What will happen, for example, with certain imported goods which become too expensive and for which there is no substitute?

—It generates inflationary pressure. Devaluation can accentuate an imbalance in supply and demand (by stimulating exports and inhibiting imports) and, through the increase of prices of imported goods, can lead to an increase in production costs and the cost of living. There is also a danger that devaluation can become "ineffective" (inefficacious) if the increase of prices "exceeds" it.

All these considerations give us a simplified image of the complex nature of the problems with which both the economic agents and the government are confronted. They emphasize the need constantly to make calculations and the great danger of having demands that are not based on economic calculations. The need to make calculation shows the importance of information—of permanent informational contact—carried out mostly through thorough negotiations held in a spirit in which the difference of specific interests should exist side by side with the feeling of mutual dependence. This is a vital problem for Romania's economy and the future of all of us depends on it.

The government has the duty to ensure a new framework for foreign trade activity as soon as possible. In this respect, I believe that the privatization process should be accelerated and in the future, a policy of ensuring the proper distribution of the value added tax should be pursued, which should favor profit and stimulate supply. Talking about this orientation, former West German Chancellor Helmut Schmidt said: "Today's profits ensure the investments of tomorrow and the jobs of the day after tomorrow." Certainly, social protection is essential, but it should not endanger the revitalization of the economy. No one can avoid the choice between current consumption and the ways that lead to future consumption. Our past experience has taught us a tough lesson: The solution is not to be found in the area of distribution but in the area of production. We should avoid a situation of distributing "as equally as possible" an ever diminishing production. At the same time, we should attach great priority to ensuring the renewal of the financial-banking system (the scarcity of capital can generate a serious blockage), to attracting foreign investment, and to ensuring the convertibility of the leu. Furthermore, we must change the way we carry out the economic reform. We should no longer implement reform measures in "isolated" cases and at lengthy intervals, because their effectiveness is clearly diminished or could even be lost altogether.

Adrian Bratescu, Ministry of Foreign Trade and Tourism, the Foreign Trade Department.

FSN Expert Dumitru on Market Economy Issues

AU0412113290 Bucharest ROMPRES in English 1139 GMT 4 Dec 90

[Text] Bucharest ROMPRES 4/12/1990—In all East-European countries freed from the burden of totalitarian regimes, one can detect consensus among decision-makers on the need for appropriating market economy mechanisms as the only ones fitted to industrial societies, says Mr. N.S. Dumitru, first vice-president of the ruling National Salvation Front [FSN], head of its Ideological Commission, in an interview with the daily TINERETUL LIBER published under the heading "Market Economy—Yes, But How and Whereto?"

Divergent and indefinitely shaped views, hampered by cautiousness and shyness, revolve, says Mr. N.S. Dumitru, around two main issues: How to appropriate the structures of a market economy, which capitalist societies have been experimenting and improving for the past six centuries and, secondly, whether this appropriation should lead us, to a capitalist model, or to a post-capitalist pattern. In this texture, he admits that he regards the market economy mechanism as a "decisive method" for the future evolution of Romania and the other East-European countries. Unfortunately, he adds, most programmes for the transition to a market economy, embarked on in Romania and in other countries, shirk the latter aspect, considering it either politically ill-timed, or "ideologically" irrelevant for speedy reform scenarios. As a matter of fact, opines Mr. N.S. Dumitru, these aspects are closely correlated with the operational side of transition strategies in these countries, Romania included, and, consequently, should be aptly treated.

Roman Delivers Message on Miners' Day

AU0412173990 Bucharest ROMPRES in English 1634 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—In a message sent to the Miners' Union Federation of Romania and to the Miners' Union League of Valea Jiului [Jiu Valley] on Tuesday, Prime Minister Petre Roman conveyed his best wishes to all miners of Romania.

After mentioning the part played by miners both on December 1, 1918 when they were present like the whole Romanian people in Alba Iulia and later, since 1977, when they had been the first who dared protest against the injustice of the communist regime, Mr. Petre Roman said: "We are striving to build a modern society based on democracy, on respect of basic human rights, on rewarding each individual according to his or her own work and competence. We are still at the beginning, in a period when new realities face the inertia and even the opposition of old structures and when we must still learn how to overcome difficulties. But, taking into account the changes that have occurred in Romania in less than one year, we feel entitled to look toward the future with optimism, despite the difficulties we are all faced with."

Our thoughts and concern, the message reads on, will further focus on creating a technical base for Romanian mining, on really and radically improving living and working conditions in all mining areas of the country.

Iliescu Receives Human Rights League Delegation

AU0412175190 Bucharest ROMPRES in English 1623 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—Tuesday, December 4 President Ion Iliescu met a delegation of the League for the Protection of Human Rights of Romania consisting of Academician Nicolae Cajal, Dr. Rodica Stamoiu, lawyer Nicolae Stefanescu-Draganesti, engineer Nicolae Barbu and Cristea Nistor.

Reviewing the activity carried out so far, the members of the delegation mentioned that the league had been founded and was operating according to the same principles as similar organizations in countries with long democratic traditions. They said that from the beginning the league had kept away from street rallies and had not adhered to the ideas of any political party or of the power. Difficulties faced by the league in attaining its objectives were also evinced.

President Iliescu was informed on the same occasion that the proceedings of an international conference of non-governmental organizations of the European countries signatories to the Helsinki Final Act and the Vienna Final Document would start in Bucharest on December 8, 1990.

Referring to the league's activity and to the delegates' intimations, President Iliescu said that under the conditions of the democratic changes occurred after the December 1989 revolution in Romania, that body must be assisted in its activity so as to fulfill its mission to detect, make known and solve cases of infringement upon human rights.

The league's executive president, Nicolae Stefanescu-Draganesti, said that the interview with Romania's president had been fruitful and that the Romanian head of state had been most responsive to the league's requests.

SRI Said Trying To Annihilate Opposition

AU0412122890 Bucharest ROMANIA LIBERA in Romanian 30 Nov 90 p 1

[Editorial note: "Unbelievable!"]

[Text] Those political power have asked the Romanian Information Service [SRI] to come up with proposals for a tangible way to annihilate the opposition—political groups, press, or even individuals, who have publicized their opinions. The SRI has taken the initiative to impose certain anticonstitutional measures on the Army, such as prosecution and detention of troublesome people without authorization. As can be seen below, the bodies of the Ministry of Interior have continued their veiled steering of certain activities of the Army.

This applies to the order that we reproduce here and which was received by all border units:

Order No. 283/14.06.1990 to subordinate units

Beginning 14 June 1990, 0200 hours proceed to... (a classified system—editorial note)

People detained for attempting to crossing the border will be thoroughly investigated by unit commanders and will be released only if they did not participate in the terrorist actions in Bucharest on 13 June 1990.

All officers in charge of investigations within units will participate in this investigation and in cases of uncertainty should contact the penal investigation bodies of the Ministry of Interior in the given area.

The detention of citizens Petre Mihai Bacanu, Octavian Paler, and Anton Uncu should be reported immediately and they should be escorted the local Prosecutor's Office.

14 June 1990, 0140 hours.

Magureanu's Intelligence Report Termed 'Cunning'

AU0412111890 Bucharest ROMANIA LIBERA in Romanian 30 Nov 90 p 2

[Victor Teisanu article: "Who Is Listening In?"]

[Text] Mr. Virgil Magureanu's speech to the Parliament, which contained a lot of ambiguities and cunning, could cause great confusion. It looks like he takes pleasure in reading only the news that emphasizes the imperative need for a new security service by absolving the former one from all its sins. In agreement with those in power, Mr. Magureanu deplores the destabilizing action of a certain press leaving it up to the listener to draw the necessary conclusions. Also in the name of stability, the director of the Romanian Intelligence Service [SRI] peremptorily specifies that our files, as well as the lists of the former informers of the Securitate, are safely locked up in archives, thus suggesting that we should give up our hopes of ever becoming acquainted with their contents. Consequently, for our own peace and quiet, it is better for the lamb never to see the face of the wolf that followed its trail.

A few things drew great attention in this speech. One of them is Mr. Magureanu's effort to justify the usefulness of his institution. Although he speaks a few times about the inviolability of the person, however, the speech does not clarify whether the "classical" methods of persecution, including simple citizens, will completely disappear. On the contrary, there are indications suggesting the opposite. Mr. Magureanu speaks about similar institutions in countries with long-standing democratic traditions. We do not know exactly how things stand in the United States, but we can hardly believe that the average citizen—showing signs of independence in his thoughts—is intercepted and persecuted as happened in our country. The comparison between what we have in our country and what the Americans have is, therefore, not a happy comparison. Mr. Magureanu assures us that things have changed radically now; the prosecution of private people is no longer a task of the information service. At the same time, however, he warns us that numerous ill-intended foreigners have installed themselves comfortably in several counties on Romanian territory operating under the umbrella of tourist offices. Benefiting from sophisticated equipment, these people—probably supported from inside the country as well—are listening in on telephone conversations. We believe that in this case Mr. Magureanu acted incorrectly when he divulged this piece of information. It may be a warning for these possible violators, who will become much more cautious in the future. At the same time, however, we ask ourselves whom are these foreigners interested in and why should they intercept conversations in Romanian counties, no matter in which ones. Can ordinary citizens have such valuable information as to rouse the interest of foreigners; furthermore, even if did have such information, would they discuss it over the telephone? Why do those foreigners not monitor the much more important conversations between people with major social and political responsibilities? If the SRI has knowledge about the ill-willed intention of these unwanted guests, why does it not inform the institutions that are able to immediately stop such guests? Because, from this point of view, all of us really need peace....

* Foreign Minister on Individual, Society

91BA0058A Bucharest AZI in Romanian 17 Oct 90 pp 1, 2

[Interview with Foreign Minister Adrian Nastase by I.C. in Bucharest; date not given]

[Text] Between his arrival from New York and departure for China our foreign minister, Mr. Adrian Nastase, found time for a conversation in which we intended not so much a review of Romania's approach in America as a frank treatment of a potentially awkward subject requiring a possibly unconventional frankness, namely the position of a member of a controversial government team involved in an ambitious and difficult gamble with time under the present Romanian conditions.

"Individual Successes Are Not Possible at Present in Such Functions, and Neither Are They Important"

Our discussion began with a question born of curiosity about the feelings and thoughts of a man who suddenly finds himself at the top of the political hierarchy not under the circumstances of an ordinary change of government but under those of a traumatized country pinning all its hopes on this reform in another direction.

[Nastase] The pressure of the events we have all experienced in the 10 months since the Revolution (a period in which the social and political temperatures hardly dropped at all below those of the days at the end of December) has been so great that I have not allowed myself the relaxation essential to living. Actually I did not realize this radical change, nor do I have time to think about it even now. I am functioning. I consider myself a member of a government team whose activity may prove good or bad (it is not a question of success in governing or of the personal result either) but which intends to work with professionalism, courage, honesty and exercise of its full responsibility in this effort to heal the Romanian social, economic, and political situation. Since the Revolution, all that has gone on in the formula for governing pertains to a certain continuum in one context or another but within a coherent and principled system.

Personally, as a researcher at the Institute for Legal Studies, I was concerned with problems of international public law. That is and is not related to my present activity, since there is always a distinction in Romania between the theory and practice of international relations, a clear-cut separation of those who were writing about law from those who were practicing diplomacy. The ADIRI [Association for International Law and International Relations], the organizer of many meetings over the years that were attended by both theorists and practitioners, was a partial meeting ground but for the rest the agreements were fragile and quite haphazard. Now I am trying to help this general effort toward structural renovation to the best of my abilities, but I feel like a man detached to another activity only for a time, after which I will go back to my real vocation. Or more accurately, it is a matter of a personal sacrifice which I do not regret, which gives me satisfaction, and which I accept because, probably like by colleagues, I do not want a political career.

"America Was a Place and Not a Target"

[Nastase] Zero point, or the point from negative to positive or the reverse. I believe America has oriented the direction of Romania's image toward the positive. The effort to shift from backward to forward is certainly the most difficult one, especially if you want a structural change on both the basic level and on that of perceptions. I say that America was a place and not a target, in the sense that from my point of view the meetings in New York provided a very good occasion for many multilateral and bilateral meetings, multilateral diplomacy being much more effective in the international institutions than bilateral contacts. I met several dozen foreign ministers in New York and if I had had to follow the traditional pattern of bilateral diplomacy it would have taken me several years.

And since there is so much talk about Romania's image, I think it is a mistake to overlook the fact that it is actually a question of several holders or recipients of the perception. On the one hand there are the governments, and on the other, besides the parliamentary politicians, there are public opinion and nongovernmental organizations. In their turn the mass information media influence the perception, and sometimes they operate from governmental levels toward public opinion and sometimes the reverse. At times the parliamentary perception, due to a parliamentary group and its political persuasion, is more important, but experience tells us that the greatest lag and inertia are on the part of public opinion.

I have told you all this in support of the assertion that our image abroad cannot be changed with the same speed on all levels nor equally in every geographic area or country, since the perception is also affected by political and economic interests I think the message about Romania's democratic way of development was effectively conveyed in the context in New York, where probably the greatest density of chiefs of state and foreign ministers per square meter or rather per square kilometer in world history was recorded—of this year of course. It remains for that message to produce its effects which, to be sure, can be only gradual.

In New York, the foreign ministers of the 35 states participating in the CSCE [Conference for Security and Cooperation in Europe] proceeded to evaluate the stage of preparations for the CSCE's high-level Paris Conference of 19-21 November, taking the needed measures for that meeting to conclude on constructive and useful results. Moreover the joint communique of the meeting was approved, as well as a declaration on the Gulf crisis, this being the first time in the CSCE's history that the participating states adopted an official attitude in common toward a problem pertaining to neither the European sphere nor to the geographic area of the old continent.

"As They Say in Modern Parlance, Paris Is a 'Must' for 1990 and Possibly Not Only Then"

Mr. Adrian Nastase went on to say that the future architecture of Europe will not even be discussed on the level of the chiefs of state from the CSCE countries, as he demonstrated in detail the importance of the next meeting, which will characterize the diplomatic agenda for this fall.

[Nastase] Actually, conclusions about the evolution of European politics in the last few years will be drawn in the French capital, as for example the disappearance of the East-West ideological axis, the reunification of Germany, and the trend toward subregionalism—that is, organization of measures for subregional security and cooperation (Pentagonal, Mediterranean, or Balkan) but subordinated to general European concerns.

[I.C.] Speaking of the calender of diplomatic contacts for the next period, what do you expect of your visit to China?

[Nastase] The question arises as follows: While focusing our foreign policy on Europe, we must try to maintain flexible contacts with other areas of the world as well, since each one has its political and economic value. In Southeast Asia a new center of power is arising in which China will play an important role. Moreover it is also a particularly interesting selling market for us, especially since our products are not going to be immediately competitive on the Western market. We must take a pragmatic approach to reality just as it develops and as it is in fact developing now, without giving into the temptations of false enthusiasm and momentary trends.

Furthermore the meeting of foreign ministers in Tirana will also be held in the next period, as well as a number of bilateral meetings with my counterparts from Italy, Denmark, Bulgaria, Greece, et al.

"Democratization in Romania Cannot Progress at Two Speeds, One for Hungarians and Another for Romanians"

The next subject of the dialogue with Mr. Adrian Nastase was relations with Hungary, in which connection he made references to his meetings in New York with Geza Jeszenski, the Hungarian foreign minister.

[Nastase] My counterpart is an historian by training and comes, as I do too, from an academic background. He is a young man, open to frank discussion, as I realized at the two series of meetings that I attended on no particular subject, merely giving us an opportunity to exchange some views. The fact that we do not feel the same way is no secret to anyone, nor is it quite necessary for us to do so. I formulated our position clearly, to the effect that we want correct neighborly relations if not good neighborly ones but at the same time we are paying very close attention to what is said and done in Hungary or abroad by the Hungarian emigres concerning the situation in Romania and firmly reacting to points we consider tendentious and serving political ends. Our ministry took a discreet but unequivocal stand every time on the official statements from Hungary that we considered unfounded or malicious. We do not intend to allow such tensions to accumulate and furthermore we want to eliminate an old complex that others are trying to perpetuate about us concerning behavior toward minorities. To that end we want to participate in formulating some European standards on the subject, but we are convinced that in comparison our standards are not now any lower than those in Hungary. We have also stated that fact that we cannot have two rates of democratization in Romania, the faster one for Hungarians and the slower one for Romanians. It is a mistake to believe that we can be convinced of such a procedure [passage illegible].

"The Press? I Think It Is in Search of a Style"

We found Mr. Adrian Nastase reading newspapers, which was an occasion to ask him for an opinion of the state of the current Romanian press.

[Nastase] The press is probably the only field in which competition is fierce. Inevitably this gives rise to exaggerations. My opinion is that it is still registering the initial oscillation of a pendulum until it reaches the normal operating pace. And since you are asking me about the ethics of the press, I think they will be formed along with the social ones and at about the same rate. I hope that is true.

It is very interesting that Romanian society has existed on several parallel levels, one of which has been that of public behavior, which is superficial and artificial as such and has strongly influenced people, and it persists. Meanwhile the impossibility of political expression led to a development too, on the levels of private life and creativeness. And for those reasons I believe our society has particular resources.

We are in a stage of sifting. Many negative axiological elements are still present, but I am optimistic about the future in the long run, perhaps also because, and I have no doubt about it, wisdom has always been a basic Romanian characteristic.

"As Far as I Am Concerned..."

[Nastase] I have told you that the brutal change of my lifestyle is depriving me of a great many joys. First among them is that of my family. My wife took her degree in sociology—in fact I knew her then, as we were colleagues, I at another faculty. Now she is working at the Center for Improvement of Personnel in Tourism and the Hotel Industry. We have a little boy of five. How is he? I think he is extremely precocious. One evening my wife was telling him about the revolution of the earth around the sun. He said to usthat he only wished we wouldn't talk about politics any more. It is an unusual reaction for a child, but the adult environment in which he lives and the events of last year have also influenced him as well as us. But I very firmly believe that an opportunity has come of it for those of his age, an opportunity for possible harmony between the individual and society.

Besides the enormous deprivation I feel in regard to my family, I miss my reading, my professional books, and also the detective stories and belletristic novels and the schedule of which I was the master, as well as the foreign journals for which I was desperate and which I now have, bundles of them, and can no longer read. I long to see my home by day and to mow my grass in my yard.... I hope to go back to all that.

It is still early in the morning, around 0930 or 1000. A full day is announced: the joint session of both chambers of Parliament, the Government's Report, interpellations, and a press conference. Tomorrow the plane leaves for China. It is one point on the diplomatic agenda of the young Romanian foreign minister in the fall of 1990.

Editor's Note: We will be back with the latest information on the results of the China visit and on the new procedure Romania is promoting in the Asian world.

[Box, p. 1]

"Probably the most difficult point is when the speed of the car is shifted from backward to forward, or accordingly from reverse to first gear. Once the direction is determined, the cumulative effect of a snowball appears."

* Communique of Brasov '15 November' Association

91P20038A Bucharest ROMANIA LIBERA in Romanian 16 Nov 90 p 8

["Communique" signed by the '15 November' Association, Brasov]

[Text] Noting the tragic situation in which Romania finds itself, from the economic, social, and political point of view as a result of the theft of the Revolution by the second echelon of the Communist Party, the '15 November' Association presents the following Communique to the nation:

Since it is clear that:

—Morally compromised persons have infiltrated into the Parliament of Romania.

—Some of them have contributed to the installing of communism.

—The Parliament has given the government, by the 260 votes for the National Salvation Front, the right to lead the country by decrees.

—And these parliamentarians have willingly and unallowably failed to fulfill their obligations.

WE DEMAND! THE IMMEDIATE PURGING OF PARLIAMENT.

Since the following things have occurred:

—The Romanian Government has not prepared, with responsibility, a strategy for moving to a market economy.

—It has not liberalized prices but has inflated them artificially; in reality, wages have become lower than in the Ceausescu period.

—It has caused a serious situation of rampant chaos in the economy.

—And it has not fulfilled the obligations to the nation which it assumed.

WE DEMAND!

1) EITHER WE GIVE THE GOVERNMENT OUR VOTE OF CONFIDENCE

2) OR WE DEMAND THE RESIGNATION OF THE PRIME MINISTER AND THE GOVERNMENT. Since it has been demonstrated that:

—the president of Romania was involved, in an unallowable manner, in serious events, beginning on 22 December, and then on 12 January, 28-29 January, 12-18 February, 18-20 March in Tg. Mures.

Everything reached a climax on 13-15 June:

—The summoning of the miners to Bucharest.

—The thanks addressed to the miners by Ion Iliescu after the bloody events in the Capital.

—An international reaction of profound repulsion has isolated Romania in the European and world level.

—The immense moral and material damages incurred by the country—the contempt which Ion Iliescu continues to show for public opinion—the refusal to engage in a real political dialog.

—The reactivation and disguising of the communist system in the leadership of the country.

IN CONCLUSION WE DEMAND!

THE IMMEDIATE RESIGNATION OF ION ILIESCU FROM THE POSITION OF PRESIDENT.

Professor Rugina Addresses Senate on Economy

AU0412194790 Bucharest ROMPRES in English 1836 GMT 4 Dec 90

[Text] Bucharest ROMPRES, 4/12/1990—In the Tuesday session of Romania's Senate, well-known scientist Anghel Rugina presented a few considerations on his reform programme aimed at the regeneration and consolidation of the Romanian economy.

In Mr. Rugina's opinion, the first thing the present government should have done, in implementing its reform programme, should have been the monetary reform, which would have blocked inflation. Referring to the price liberalization, he appreciated that it was actually a price increase, taking into account the fact that the greater part of the enterprises are state-owned. In that context, Professor Rugina warned about the danger of selling the state enterprises to foreign citizens for next to nothing, as the Romanian citizens are incapable of raising now the necessary funds, Poland's experience being a relevant example in this respect.

Speaking about the leu's convertibility, Mr. Rugina suggested that Romania shouldn't rely on any foreign currency, and should provide one hundred per cent covering for the leu with Romanian products.

Referring to the coming anniversary of one year since the December 1989 revolution, Mr. Rugina said this day might be misinterpreted as a day for reckonings, and stated his opinion that reckonings should be made at the next elections. He suggested the Parliament to make a proclamation to the country ten days before December 22, and explain the difficult problems confronting the country.

"The time has come for all of us to realise that these problems are not the FSN's [National Salvation Front] the Liberals' or the Peasant Party's, but the whole country's."

Mr. Rugina handed Mr. Alexandru Barladeanu an open letter to the members of the Romanian Parliament, and the reform programme he proposes.

Army Refutes 'Malignant' CADA, Press Attacks

AU0512104990 Bucharest ADEVARUL in Romanian 29 Nov 90 p 3

[Communique from the Army press section:"'Lucidity and Discernment Toward Ill-Meaning Statements Concerning the Army'"]

[Text] The daily ROMANIA LIBERA has lately allotted a good deal of space—for reasons which can be easily understood—in support of certain former CADA [Action Committee for the Democratization of the Army] members, who were put into reserve by the Ministry of National Defense for their destabilizing activity within the Armed Forces.

Regarding this situation, the Army Press Section is authorized to declare the following:

1. In December 1989, the entire Romanian Army, from soldier to general, dissociated itself from totalitarian communism and acted as a single unit against the Ceausescu dictatorship and for the victory and defense of the revolution. Blaming people with responsible functions within the Army is, therefore, quite unjustified; furthermore, the bizarre intention to sue these people is totally unrealistic.

2. Given the existence of a specific framework for the assertion of democracy—through the legally constituted associations of the military personnel—the idea of the functioning of so-called committees from within or outside the Army is in flagrant contradiction of the very goals promoted by the few members of the former CADA and also harms the ongoing process of renewal in which the huge majority of military men are involved in a spirit of dignity and good will.

3. The invectives brought against certain cadres with responsible positions in the Army as well as against other military people are obviously tendentious and aim to diminish the Romanian Army's trust in its leadership and to weaken the team spirit and the concept and action unity of the military body, which was invested by the people with the basic mission of ensuring Romania's independence, sovereignty, and territorial integrity.

4. There is no justification whatsoever for the brutal and destabilizing interference of people put into reserve—that is, people outside the military body—in matters pertaining to the military institution. This amounts to an irresponsible insult of the active personnel's ability and desire to involve the Army in the process of improvement and modernization, on the basis of valid laws, rules, and orders.

5. In the name of national interests and of the responsibilities devolving on the Army regarding the defense of the fatherland and of law and order in the country, we believe that public will further show true discernment and lucidity toward malignant statements appearing in various press organs as part of a true campaign of slander against the people's will that was freely expressed in the 20 May 1990 elections.

6. At a time when the entire nation prepares to celebrate the 1 December national day in a true climate of concord and common spiritual experience, we once more reiterate the Romanian Army's decision to defend the values of the December 1990 revolution, to change itself from within, by aligning itself with the principles of democratic life currently prevailing in Romania, and to ensure the peaceful work and quietude of the Romanian people.

General's Threat To Fire at People Criticized

AU0412204690 Bucharest ROMANIA LIBERA in Romanian 1 Dec 90 p 1

[Editorial note: "We Shall Open Fire!"]

[Text] On 29 November Alba Iulia newspaper UNIREA [Unification] carried a communique of "Transylvania" Army to the people from which we quote: "THE ARMY WILL ENSURE AN ATMOSPHERE OF SECURITY AND ORDER, OF PEACE AND QUIET SO THAT WE MIGHT BE ABLE TO CELEBRATE WITH JOY AND LOVE FOR THE HOMELAND AND THE NATION. AT THE SAME TIME, IT WILL FIRMLY RETALIATE AND EVEN OPEN FIRE AGAINST ALL THOSE WHO WILL DISTURB AND WILL TRY TO COMPROMISE OUR SACRED NATIONAL HOLIDAY OF 1 DECEMBER.

"Let us prove to the nation, Europe, and the world that we are free, dignified, and sovereign people and a truly democratic country."

The communique is signed by Colonel General Paul Cheler, commander of "Transylvania" Army.

Editorial Note: Is that how matters stand General Cheler? Opening fire? Do you want to shoot people to prove to the world that we are free, dignified, and sovereign people? You should ensure peace, order, and security but not threaten to shoot people. You should be dismissed for this statement alone. It is not you who decides the state of war. As long as we are not in a state of war with anyone, you are not entitled to order: FIRE!

Serbia's Milosevic in Kragujevac Speaks on Reform

AU0412181190 Belgrade POLITIKA in Serbo-Croatian 28-30 Nov 90 pp 6-8

[Unattributed report: "The Reform Was First Started in Serbia"]

[Text] Kragujevac, 27 Nov—Greeted by the tempestuous applause and the ovations of over 1,500 representatives of sociopolitical and economic life from Kragujevac and the Sumadija and Pomoravlje regions, Slobodan Milosevic, president of the Republic of Serbia, delivered a speech in the Sumadija city hall:

The struggle Serbia has had to wage in recent years for an equal position in Yugoslavia, the establishment of a unified state on its territory, the development of democratic relations, and the new constitution has not diverted our attention from economic problems. All this time we have been aware of the fact that economic problems are the most difficult task that we have set ourselves to resolve, as well as the greatest challenge we have ever faced, Milosevic said. During the last few decades, economic misfortunes that struck all Yugoslav republics were amplified in Serbia by the fact that economic development in Serbia has been lagging behind for several decades. A large part of this lagging behind was caused by the way the policy was conducted in Yugoslavia. Throughout the entire postwar period Serbia has not had in its hands the initiative on the development of the economic system nor the initiative on the formulation of the strategic development of Yugoslavia. Because of this, Serbia was not in a position to look after its interests in the right way. This practice was only stopped by the political events that took place in Serbia in 1987. By setting up a commission for economic reform, the Presidency of Serbia has taken over the initiative for resolving the economic-systemic and development problems, not waiting for this job to be done in the federation.

The main aim of the economic reform is to increase the efficiency of business operations. This commitment required us to abandon the consensus economy which, by throwing the economy back to primitive forms, above all through the introduction of collective ownership relations and the neglect of economic demand, caused enormous damage. It threw the economy into a deep and long-term crisis.

By abandoning this kind of economic philosophy with all its consequences in practice, we opted for a real economy which considers the market an irreplaceable mechanism for conducting business operations efficiently. It should be clear to all citizens, who do not have to be economists or some other kind of experts to understand it, that the economy's independence in making decisions and the automatism of the market render unnecessary the administration's mediation and every other type of tutelage on the economy that hinder enterprises in developing necessary initiatives. However, the confidence in the regulative abilities of the market does not mean at all that the invisible hand of the market, that the force of the market mechanism, can put everything in order—as economic theoreticians believed at the end of the 19th century, something that was fortunately not used in economic practice then, or later. The fiscal, monetary, and incomes policies are the unavoidable instruments of a modern state for regulating commodity and monetary flows, and for providing the same conditions that are necessary for true competition and, of course, selection. Let me say right at the beginning that I think that the natural place for such state roles under our conditions is in the federation, and this constitutes one of the important reasons why we strive for the federal setup of Yugoslavia.

The Republic Was Forced To Defend Its Interests

However, not only is the course of events in Yugoslavia not leading to the establishment of the necessary roles for the federation, but, as we can see, it is assuming a completely opposite direction. Under the influence of the tendencies toward independence and separation from Yugoslavia, Slovenia and Croatia exempted themselves from a certain number of federal laws and in this way unilaterally freed themselves from economic obligations toward the federation. This has deeply disturbed numerous economic relations that are of vital importance for all republics. The consequences of these unilateral measures were particularly considerable in Serbia. If one adds to this the fact that Serbia's justified demands had systematically been ignored for a long time, then it is clear why Serbia was forced to undertake measures to protect its economic interests. Those who reproach us today for not respecting the Constitution and disturbing the unity of the Yugoslav market, know very well how much effort Serbia made for this unity to be preserved and the federal Constitution enforced, regardless of some of its major shortcomings which we had, after all, pointed out. Among these inappropriate objections it is not difficult to notice the aspirations to keep the Serbian economy in an unequal position. This is why we are doing everything openly, and want everybody to know that we will thwart internal colonialism in Yugoslavia just as we won political equality, Milosevic stressed.

Economic Discrimination of Agriculture and the Power Generating Industry

It is also unjustifiable to reproach Serbia for being against economic reforms when it is known that Serbia has been the fastest in creating and the most consistent in implementing reforms. What we are in fact talking about is a paradox. In other words, a justified criticism of the economic program that is being carried out at the federal level, a program that has failed in all essential spheres is qualified as the opposition to the economic reform. We cannot close our eyes in front of facts that bother our eyes. For instance, the persistent maintenance of the unrealistic exchange rate of the dinar has quite logically brought about an unreasonably large amount of imported consumer goods, which in turn led to a fall in production, without the expected fall in prices. At the same time it discouraged exports, which we all know are the main factor for boosting production. This led to losses even in those enterprises which, according to the real exchange rate, used to be highly profitable. At the same time we are facing the economic discrimination of agriculture and the power generating industry, which cannot be acceptable nor has it any justification. Finally, the rate of inflation, this reliable barometer of shortcomings in the economic program that is being implemented in Yugoslavia, is ten times higher than expected. However, the most worrying thing in all this is the multifold fall in production in relation to what was planned. This fall has far-reaching consequences on all forms of expenditure; it creates economic and social tensions, while the creators of the economic program of Yugoslavia obviously do not have any idea of how to revive production, which in our opinion is the only way out of the crisis—Milosevic stressed.

Our view is that the economic reform must create conditions for increasing efficiency in the socially-owned enterprises. The consensus economy has left the socially-owned enterprises without responsible managers which led to wastefulness of huge proportions.

Preventing All Kinds of Squandering

Treating social property as nobody's property [nesvojina], a term that is completely incomprehensible to both laymen and experts, has hindered the efficient functioning of the economic system. Social capital did not have a price, and therefore it is logical that it was squandered and used irrationally. Normal production and distribution relations have been grossly disturbed, while the motivational mechanism, the workers motivation to work more and to reduce costs, could not be developed in an environment characterized by such attitudes toward social property. The lack of an identifiable owner of assets in social ownership prevented enterprises from being managed professionally according to the strict laws of the market economy, and so forth. Therefore, we think that because of all this, the socially-owned property must be transformed into public property in the section of the economy that is important for the overall development, where the state directly influences relations in these enterprises, and that the socially- owned property in the enterprises which conduct their business on the market independently should be transformed into state, primarily share capital. Social property transformed in this way is in line with the attained level of the country's economic development, as well as the demands for conducting business affairs under market conditions independently. The same demands refer to the mixed ownership which includes joint state and private capital. I would like to emphasize that mixed ownership is perhaps the most promising option because it is the most flexible in terms of combining and adapting capital to the real present conditions.

We approached the question of restructuring property without ideological prejudices. Enterprises with state capital will not enjoy special state protection. They will be forced to fight for their survival and advance by competing with other state, private, or cooperative enterprises. Therefore, we can reasonably assume that under the stricter market conditions of conducting business affairs and under pressure from competition, the enterprises with state capital will have to display greater efficiency.

The complexity of social conditions and the diversity of enterprises' specific situations demand the application of different solutions for different enterprises. If some successful socially-owned enterprises want to retain their present status while they are still successful, in my view there is no justifiable reason why they should be forced to accept a different status. As regards private property, it used to have the greatest restrictions, but these are now being removed. Private property will become completely equal to all other forms of property on the market and in social relations. However, privatization has caused misunderstandings which already have undesirable consequences. Privatization is widely understood to be the transition of state property to private property, without any money, or for only a small compensation. This cannot be acceptable. We think that nobody has the right to donate property—in total or partially to individuals or groups of individuals—that has been created by generations of citizens for decades. State property can be partly or totally given away only in return for full compensation, which means that real value must be preserved regardless of the fact that in the physical sense it was totally or partly given away. Creating enterprises with mixed capital is therefore possible, but only with additional, fresh money, and not through converting state property into private property without appropriate compensation for it. This is why we energetically strive for the prevention of squandering state property which should now, at a time when the economic crisis is being surmounted, serve as an important potential for the future development.

Both State and Private Enterprises Can Be Efficient and Inefficient

We do not have enough time to speak about this here at length, but these attacks on the state, that is, social property are launched in many, I would say, perfidious ways. For instance, some individuals who have acquired their expertise trough socially-owned enterprises and have access to business information, because of the nature of their posts, are now privatizing business connections by leaving these enterprises and taking the best businesses with them. This dangerous privatization points out the lack of both business and ordinary human moral and loopholes in the legal regulations concerning the protection of business secrets. This is why we think that this form of privatization must be energetically prevented, by both laws and acts of enterprises and by establishing ethical business norms in the economy. After all, such norms exist in all developed countries with the market economy.

Privatization was quite erroneously imposed on us by the creators of the latest economic program of Yugoslavia as one of the most important issues of the social reform, which it is not and cannot be. If this privatization amounts to withdrawing social property from some small enterprises and some activities in which this property should have never existed, the insistence on privatization is certainly justified. However, the justified abandoning of the current ideological and state protection of social property today tends to be simply and quite unjustifiably replaced with the ideology of private property that is proclaimed as efficient without any evidence to support it. However, we are the witnesses of tens of thousands of enterprises in developed countries with stable economies going into receivership, of many countries with very rich natural resources, even enormously rich countries whose economies are founded on private property, such as those in South America, being economically unstable, which does not support the claim that private property is by itself always efficient. Despite this, privatization is still insisted upon without taking into account the enormous value of social property, or the fact that this property cannot be privatized with the money that the citizens currently possess, or the economic justification for such changes in property ownership. Public property exists in all the most developed countries and nobody has even considered privatizing it. Joint stock companies with social capital fulfill all conditions for entering the market and efficiently conducting their business operations. Simply, both state and private enterprises could be efficient and inefficient, depending above all on how successfully they are managed. Efficiency does not exclusively, not even mainly, stem from ownership relations, but for management and the way the economy is run. An important role in this is played, of course, by the director, by experts, by many of you and your colleagues throughout the country. Therefore, we think that improvements in management and business leadership can have the biggest effect in the Yugoslav economy in a short time.

Defects in the Economic Program of Yugoslavia Could Have Been Alleviated

In the last two years Serbia did not spend time only on the ideological content of the economic reform. It has also started to implement necessary changes in economic and non-economic activities. Major orientations are elaborated and shaped into suitable policies through legal regulations and other measures. We are talking about a social policy in the economic reform, about changes in property and other relations in agriculture, about the economy housing construction taxation policy, the reorganization of banking and insurance, about putting social activities on new foundations, about problems in trade, the economic position of Serbia, and about finding a solution to other major economic problems. All these changes that are well under way illustrate Serbia's efforts to devote utmost attention to its own economy as much as they imply the application of the principles and stands of the economic reform—Milosevic said.

As is known, all this time Serbia has been engaged and turned toward events in all parts of the Yugoslav economy. We carefully followed the work on the economic reform in the federal organs and the realization of the Yugoslav economic program. Although, as you all know, weaknesses had been noticed in the first stage of the implementation of this program, Serbia did not want to dramatize the program's negative tendencies. However, it could not ignore some aspects of it. The Serbian Presidency commission for economic reforms publicly warned on two occasions in 1989 that inflation needs to be energetically curbed. Serbia's contribution to the content of the economic reform and surmounting the crisis could have been considerably greater had its cooperation been used in a more rational way. Unfortunately, this did not happen. I believe that all these obvious defects in the economic program that is being implemented at the federal level and adopted at the end of 1989 could have been avoided or at least alleviated if the scientific and expert potential of Serbia was used to a greater extent.

Funds Raised Through Public Loans Are Invested in the Economically Most Attractive Projects

Aware of the danger that the economy has been preoccupied for too long with distribution, and that in this way we will not find a way out of the crisis and ensure a long-term rise in incomes and employment, we tried to direct the economy toward production and economic development. The floatation of a public loan, funds of which are used for starting a new investment cycle, is an integral part of these efforts. The funds raised through the loan are being invested in the economically most attractive programs. If it is shown that these investments are good investments, and so far we do not have any reason to think otherwise, the funds will be multiplied and the economy will experience new development opportunities. Of course, the loan is only a temporary help in the situation when the accumulation of capital in the economy has almost disappeared. Therefore, a proper and permanent solution for the issue of accumulation must be found primarily by tying a rise in personal incomes to the corresponding rise in accumulation. We are in favor of such a solution. However, bearing in mind the need to ensure a sufficiently high rate of growth in the social product to meet numerous needs, foreign accumulation in the form of loans and foreign investments, production cooperation, and in other spheres will also be necessary. As you know, we have already made some important steps in this direction, Slobodan Milosevic stressed.

Lack of Good Projects Showed Itself As a Greater Constraint Than Accumulation

Therefore, accumulation is an important but not the only condition for inducing economic development. A knowledge of how to manage enterprises and select the right investment projects is equally important. Bids for raising the loan have unfortunately revealed the harsh reality, namely that the economy, which has for a long time been obsessed with distribution and which has continuously faced the questions of how to survive from day to day, did not think about its future. This was best illustrated by the fact that the economy did not have a sufficient number of good projects at any level. In other words, a lack of good projects showed itself as a greater constraint than accumulation, however small this accumulation has been. It is therefore certain that productive cooperation can help considerably in the selection of good projects, increasing foreign accumulation funds, and in the transfer of modern technology. This is why we are devoting much more attention to this cooperation than in the past.

We are not fully aware of the fact that Serbia has not completed the process of industrialization with appropriate changes in the population structure. This task, which is of historic importance and which is left to our generation to accomplish, cannot be avoided or postponed without major and long-term consequences. Full employment, a richer life, catching up with technological progress, joining the family of developed countries, and everything else connected with industrialization depend on the completion of industrialization. Bearing all this in mind, we consider the completion of industrialization imperative, the only sensible commitment in the strategy of Serbia's development.

It Is Citizens Who Will Decide in the Elections, Not Parties

Industrialization was neither a comfortable nor easily bearable and smooth process anywhere, and therefore it cannot be so here either, Milosevic continued.

Therefore, the question is not whether we should complete industrialization, but whether we will have enough strength to do it relatively quickly. The claims of those who do not know anything about economic problems and think that we will become a Switzerland overnight, will certainly not help. The historically belated industrialization in Serbia is most evident in the grossly unemployed or insufficiently employed labor force. In the period 1952-1988 the number of those unemployed in Serbia rose from 600,000 to 2,600,000, or from 87 to 268 per 1,000 citizens. Despite this, the number of unemployed in Serbia is today over 500,000. What makes the problem of unemployment in Serbia even worse is the fact that Serbia has the largest farming population in Yugoslavia. What made things even worse is the fact that a number of unnecessary institutions had been created outside the economy under the pressure of mass demands for jobs. Both the production and the nonproduction sectors were employing more people than was necessary for the given volume of work. You all know that very well. They are the so-called technological surplus, which is a stumbling block in implementing economic reforms. In our view, this stumbling block can be removed only by opening new jobs. I stress this because some people think that the surplus labor force should be dismissed, as every capitalist businessmen would do. This view, which could also be heard among some of our experts and the public in general, is too simple and too easy a solution. In my view it is also a very difficult and, in terms of social consequences, an unacceptable solution.

Nobody needs to be told what a further increase in the already high unemployment would mean. As you know, we have resolutely opted for an efficient economy, but are not ignoring a just economy. Without doing this we would not have the right to say that we are fighting for socialist ideas. I hold the view that these two demands for economic efficiency and a just society can be reconciled by finding jobs for the surplus labor force, be it through additional projects within the existing enterprises, be it through opening new jobs in new state and private enterprises. This view is not in conflict with our commitment to market and commodity production. For instance, the Japanese, who cannot be criticized for inefficiency and a lack of desire to maximize profits, have successfully tested in their numerous enterprises the reality of this approach which is opposed to laying off workers. However, we are not only talking about experiences, we are talking about our beliefs. We are aware that this policy cannot consistently be implemented in every enterprise and that in some cases saving enterprises from going into receivership will require laying off some workers. The temporarily unemployed must not be left on their own either. They must be helped with the funds designated for this purpose, as much as is possible. Neither enterprises nor society should feel any obligation toward idlers. This is why we think that, in the spirit of the reform, we should permanently differentiate between work and idleness.

I would like to conclude my review of the economy at this historic time by saying that we in Serbia have both the economic and the development policy with which we are going to tackle and resolve our short and long-term economic problems. For this reason we expect success in those branches of the economy which are under the influence of our republic. However, the greatest difficulties are caused by the policy conducted at the federal level, the policy that is putting the economy of Serbia and Yugoslavia in a difficult position. This policy can no longer be tolerated and we are forced to avoid its consequences through all the legal means available to us. I think that we can quite reasonably support and carry out this view.

Every Citizen Who Has Serbia At Heart Will Vote in the Elections

Finally I would like to say something about the current political situation in the republic. In the interest of achieving positive changes in Serbia and creating conditions for the functioning of our institution in accordance with the new constitution, we are about to vote in elections. Only when the national assembly, government, and other republican organs have been elected, will the constitutional conditions be created for the functioning of the system as determined by the Constitution. I hope that there is no need to remind anybody that such a Constitution has in fact been adopted on the basis of the directly expressed will of the citizens of Serbia.

Therefore, holding elections on time represents the first step in implementing the Constitution.

I therefore believe that every Serbian citizen who takes the interests of our republic to heart, as well as peace, freedom, and dignity of the people and all citizens of Serbia, will vote in the elections. In addition, I am convinced that such people constitute a huge majority.

As concerns the boycott of the elections, which we have been confronted with recently along with many other troubles, I do not want to comment on it at all, either on this occasion or on any other occasion before the elections, for the simple reason that an answer to this can be given by the citizens of Serbia alone, and nobody else.

This is why the elections represent the only way to decide about the organs of power in a democratic country. This country will be democratic and just, just as we all in Serbia have envisaged it to be in the new Constitution. It has been set up in such a way that the citizens' will expressed on the basis of a direct and equal right to vote is respected regardless of whether they are members of political parties or not. For it would be wrong if citizens who are not members of political parties had fewer political rights than these who are.

Therefore, Serbia is the state of all citizens living in it whether they are organized into political parties or not. Therefore not parties but citizens themselves can equally decide about the elections and vote in the elections in Serbia.

A mass turnout at the elections will show that they are legal and democratic and the results of the elections will show what kind of society citizens will have decided in favor of. I hope that they will decide on a progressive and just society. I wish you success in your work and success at the elections. Thank you for your attention—Slobodan Milosevic said in conclusion.

Serbian Presidential Candidates Listed; 32 Named

AU0512112990 Belgrade BORBA in Serbo-Croatian 1-2 Dec 90 p 11

["M.T." and "V.N.Dz."-signed report: "Thirty Two Presidential Candidates"]

[Text] Belgrade—The republican Electoral Commission of Serbia yesterday endorsed the final list of 32 candidates for the president of the republic. Out of these, 12 candidates were nominated by political parties and 20 by groups of citizens. The candidates are:

Dr. Ljuben Aleksov-Alen, candidate of a group of citizens (born in 1945); Nikola Barovic, candidate of a group of citizens (1950); Miroslav Veselinovic, candidate of a group of citizens (1941); Ratomir Vojvodic, candidate of a group of citizens [no birthdate as published]; Predrag Vuletic, candidate of the Liberal Party (1951); Miodrag-Mile Gojkovic, candidate of the Party of Independent Businessmen (1943); Sasa Goranci, candidate of a group of citizens (1953); Dr. Ljubomir Grujic, candidate of a group of citizens (1939); Vuk Draskovic, candidate of the Serbian Renewal Movement (1946); Dr. Ivan Djuric, candidate of the Reform Forces of Yugoslavia and the Association for Yugoslav Democratic Initiative (1947); Tihomir Zivanovic, candidate of a group of citizens (1936); Dragan Jovanovic, candidate of the Green Party (1947); Jovan Koprivica, candidate of a group of citizens (1934); Tomislav Krsmanovic, candidate of a group of citizens (1936); Milan Lazarevic, candidate of a group of citizens (1942); Slobodan Milosevic, candidate of the Socialist Party of Serbia (1941); Slobodan Mitic, candidate of the Alliance of All Serbs of the World (1947); Milan Mladenovic, candidate of a group of citizens (1949); Cedomir Nesic, candidate of a group of citizens (1931); Dr. Blazo Perovic, candidate of the Party of Yugoslavs, the Party of National Accord, the Yugoslav Socialist Democratic Party, the Workers Party of Yugoslavia, the Democratic Pedagogical Party of Yugoslavia, and the Democratic Reform Alliance of Muslims of Prizren (Yu-Bloc) (1947); Milorad Radovic, candidate of a group of citizens (1957); Hercen Radonjic, candidate of a group of citizens (1943); Jovan Stojkovic, candidate of a group of citizens (1937); Miomir Tosic, candidate of a group of citizens (1941); Ljiljana Djujic, candidate of a group of citizens (1956); Sulejman Ugljanin, candidate of the Party of Democratic Action from Novi Pazar (1953); Zivan Haravan, candidate of the Party of Social Justice (1946); Velimir Cvetic, candidate of the Social Democratic Party of Yugoslavia (1924); Radoje Saranac, candidate of a group of citizens (1932); Nikola Seceroski, candidate of a group of citizens (1934); and Dr. Vojislav Seselj, candidate of a group of citizens (1954).

The republican Electoral Commission, as its spokesman Zoran Djumic told journalists yesterday, rejected the candidate of the Women's Party, because the party nominated two candidates, something that is not envisaged by the law. The party's appeal was rejected by the Supreme Court of Serbia. The Electoral Commission also refused to accept the candidature of Dragan Ilic, an independent candidate who nominated himself, because this contravenes the law.

According to the latest information there are 6,717,262 registered voters. There will be 9,989 polling stations in 250 constituencies throughout the republic.

The list of candidates for people's deputies must be compiled by 1 December, that is, seven days before the elections, and the constituencies are obliged to publish the list by Monday, 3 December.

Serb Candidate Draskovic Makes Election Broadcast

AU0412112090

[Editorial Report] Belgrade Domestic Service in Serbo-Croatian at 0900 GMT on 4 December, jointly with Novi Sad, Pristina, and the Serbian radio network, carries a 60-minute phone-in program as part of the series of programs entitled "Democratic Elections in Serbia in 1990," presenting presidential candidates who are to run in the upcoming republican elections, in which a presidential candidate, Vuk Draskovic, president of the Serbian Renewal Movement, appears and presents his views and platform.

Draskovic answers questions phoned-in by several listeners, most of whom are women, and says that the past was "Bolshevik" and "single-minded," that the prerogatives the president of the Republic in Serbia has at present must be reduced, that "housing and financial conditions in Serbia must be improved," and denies that he is attacking Slobodan Milosevic "although one must know that five years ago, Milosevic was one of the most prominent opponents of the Serbian resistance in Kosovo."

Jokic Denies Exercises Planned During Serb Vote

LD0412113190 Belgrade TANJUG Domestic Service in Serbo-Croatian 0859 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—In connection with the allegation by Vuk Draskovic, a candidate for president of the Republic of Serbia, in yesterday's public presentation on Belgrade Television's second channel, that a large number of young voters have been called up for a military exercise on Sunday, 9 December, Admiral Miodrag Jokic, republican secretary for national defense of Serbia, has stated the following: "On Sunday, 9 December 1990, when the first multiparty elections take place in the Republic of Serbia, not a single military exercise has been scheduled. Not one reservist soldier liable for call-up has received, nor will he receive, a summons to take part in a military exercise. It is precisely because of the importance of the multiparty elections that no exercise whatsoever is envisaged in a single program or plan of the Territorial Defense Force."

Serbian Committee Calls for 'Election Silence'

LD0412201390 Belgrade TANJUG in English 1825 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—Election silence before and during the first postwar multiparty elections in Yugoslavia's Republic of Serbia, set for Sunday, December 9, will start at midnight on Friday and continue until the polling places close at 7 p.m. on the election day, an official interpretation of the electoral law by the republican Election Committee on Tuesday said.

Any publishing or broadcasting by the media of the news or other reports involving election propaganda will be forbidden during the period.

The election campaign in Serbia today included a number of party meetings and press conferences.

The Alliance of Reformist Forces of Yugoslavia for Serbia announced that its pre-election convention in Belgrade tomorrow would start with the assessment that the impending elections "cannot be democratic because of the atmosphere is not democratic." Leaders of the alliance say that the "media occupation" of Belgrade Television and the newspaper publishing house POLITIKA is even intensifying, with full pages in various editions and whole TV broadcasts dedicated to the promotion of ruling party candidates.

Journalists on Belgrade Television's news desk today addressed an open letter to the Serbian Assembly, suggesting that the republican parliament, as the founder of Belgrade Television, urgently adopt a decision to replace the desk's chief editor with a journalist who has the confidence of both the staff and the public.

"We hold that Belgrade Television's news desk, with a team of editors in whom even their own staff have no confidence, will be unable to carry out its basic duty and cover the elections objectively," says the letter.

The Serbian People's Renewal (SPR) [as received], too, sharply protested against what its spokesmen described as "unfair pre-election campaign in Serbia." The party charged the ruling Socialist Party of Serbia and some of the opposition parties with what SPR leaders called "dirty imputations culminating on the eve of the elections."

Presidents of six political organizations in Serbia's province of Vojvodina today signed a declaration on joint appearance in the elections and future cooperation in and outside the future multiparty assembly of Serbia.

The signatories are the Democratic Alliance of Croats in Vojvodina, the League of Social Democrats of Yugoslavia (Vojvodina), the Alliance of Reformist Forces of Yugoslavia for Vojvodina, the Association for Yugoslav Democratic Initiative, the Alliance of Ruthenians and Ukrainians of Yugoslavia for Vojvodina, and the Vojvodina Forum. The declaration said that the organizations would pledge above all "for the establishment of genuine democracy and maintenance of the Yugoslav community, for the economic and political reforms based on the programme of the federal government of Prime Minister Ante Markovic, and for strict environment protection."

Kosovar Official Says Kosovo is European Problem

AU0512135290 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 5 Dec 90 p 7

[Interview with Bujar Bukoshi, member of the Executive Committee of the Kosovo Democratic Alliance, by

Gorazd Cretic; place and date not given: "A European Problem"; first paragraph is FRANKFURTER RUNDSCHAU introduction]

[Text] In talks with deputies of the Bundestag and the European Parliament, Bujar Bukoshi, member of the Executive Committee of the Kosovo Democratic Alliance canvassed for support for the Albanians who live there. The Democratic Alliance is by far the biggest party (more than 700,000 members) in Kosovo, where the approximately two million Albanians constitute about 90 percent of the population. The autonomy of Kosovo, which was greatly restricted in the past two years, was abolished on 5 July punctuated with massive activities of Serbian police and army. Gorazd Cretic has conducted the following interview with Bukoshi for FRANKFURTER RUNDSCHAU.

[Cretic] According to reports there has been an enormous number of human rights violations against the Albanian population in Kosovo after 5 July. Can you give us a general account of the situation?

[Bukoshi] On 5 July, the Kosovo Assembly and Government were suspended, subsequently the Albanian-language media—radio, television, the daily—were banned. The isolation of the pupils—morning classes are reserved for the approximately 10 percent of ethnic Serbian pupils—has been officially decreed and implemented. Albanian teachers are sacked. This is why even now several Albanian classes have been dissolved (for example in Vitomirica).

Since July most Albanians have been removed from leading positions (directors of enterprises, engineering staff, judges, members of city assemblies, doctors, and medical staff—more than 1,000 were dismissed in this sphere alone; and so on). Now even large numbers of ordinary workers are sacked because they are Albanians and because they recognize the parliament and government of Kosovo and not the authorities of the occupiers. This why more than 30,000 Albanians have been sacked since July, which accounts for more than 20 percent of all Albanian employees in the public sector. More than 1,400 private Albanian shops had to be closed, allegedly because they participated in the one-day general strike on 3 September.

[Cretic] Is it reasonable to look at the Kosovo problem only under the aspect of human rights violations?

[Bukoshi] Not at all. The Serbian authorities simply ignore any criticism of human rights violations. One must find a political solution. Yet such a solution cannot be achieved as long as the Serbian communist leadership and the Serbian opposition parties reject any dialogue with the Albanians in Kosovo. The Albanians in Kosovo are not a "national minority in Serbia." They are a people, a nation, and just like any other nation in Yugoslavia, they should have a republic of their own—but I stress, within Yugoslavia. In this republic of Kosovo, the Albanian people should be able to decide on their rights, of course they must fully respect the rights of other ethnic groups in Kosovo. The Kosovo Albanians have repeatedly and resolutely expressed this. This is why on 7 September in Kacanik, the parliament of Kosovo proclaimed Kosovo as Yugoslav republic—the meeting was held without the knowledge of the occupying authorities. For the Albanians in Yugoslavia the Republic of Kosovo has been a "point of no return" since then. By numbers, the Albanians are the third largest group of people in Yugoslavia. The Serbian authorities violate our individual and collective human rights systematically, in particular by using the argument that we are not a true people but only a national minority. As a consequence the situation has deteriorated and now, faced by the threat of starvation, the Albanians in Kosovo have to struggle for their survival. Nevertheless, they continue to insist in the use of nonviolent methods, despite the continuing attempts of the occupying authorities to provoke an uprising through their repression so that they can cause a bloodbath among the unprotected Albanian people—possibly even under the shadow of the gulf crisis.

[Cretic] Are the Kosovo Albanians still hoping for the support of the two democratized republics Slovenia and Croatia?

[Bukoshi] The Albanians in Yugoslavia are realistic people, they are politically minded and are able to distinguish between real and rhetorical solidarity. Until recently the authorities in Slovenia and Croatia actively supported the repression in Kosovo. Now, after both republics had free elections, all of a sudden they "no longer want to interfere in the domestic affairs of Serbia" instead of providing concrete support. "Their packed suitcases are waiting in front of their doors" (as Slovene President Kucan said recently in DER SPIEGEL) so that they can join prosperous Europe if necessary. The Kosovo Albanians' only hope to avoid tragic developments forced upon them by Serbia is rapid and resolute Western action. Now the West would have to resolutely urge the Serb authorities to assume unconditional dialogue with the representatives of the Albanian people in Kosovo. It is high time for Europe to realize that Kosovo is no longer a mere Yugoslav problem but that Kosovo has become a European problem.

Meeting of Montenegrin Reform Alliance Disrupted

AU0412201490 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 4 Dec 90

[Text] The Alliance of Reform Forces of Yugoslavia is holding a promotional meeting at the [words indistinct] in Titograd. Ante Markovic, its president and president of the Federal Executive Council, is taking part in the meeting and is now speaking. A short while before, the numerous participants at the meeting were addressed by Ljubisa Stankovic, presidential candidate, and [name indistinct], Rifat Rasider, and Bozo Kovac, deputy candidates for the Reform Alliance. Jagos Stojanovic has the details:

[Begin Stojanovic recording] About 5,000 to 7,000 people from Titograd and other places have gathered here. The federal prime minister and his followers in the Alliance of Reform Forces for Montenegro are stressing that no one will prevent them from pulling this republic out of the crisis, and particularly not electoral rivals who have recently been putting up barricades along Montenegrin roads.

This meeting did not even resemble democracy. Policemen have ejected from the hall a great number of noisy and rude young men and women who are members of other parties. A short while ago, Communists and Reformists came to blows in the center of the main town of Montenegro. There were 50 of them on each side while the militia struggled with them.

While (?milk and honey flow) from the rostrum, the hall echoes with threats of "shoot," swearing, slogans, and [word indistinct] which do not bode well for a continued calm election campaign in Montenegro.

Ante Markovic, federal prime minister and leader of the Reformists, will speak in Cetinje at 2000 [1900 GMT] this evening. [end recording]

Markovic Addresses Meeting

LD0512095190 Belgrade TANJUG Domestic Service in Serbo-Croatian 2048 GMT 4 Dec 90

[Text] Titograd, 4 Dec (TANJUG)—Only the people who have the knowledge, who have the skills, who are capable, and who already have achieved something can survive on the political market. These people are the reformists forces associated within the single Yugoslav Alliance [of Reform Forces], which operates in all the republics and provinces. This was said by Ante Markovic in Titograd tonight during an electoral meeting of Montenegrin Reformists. He also congratulated them in advance on their victory in the December election.

Their conviction in the electoral victory was expressed by all Alliance of Reform Forces' candidates in Montenegro, who tonight introduced themselves during the main electoral meeting of the reform movement—Dr. Ljubisa Stankovic, Vujica Lazovic, Zarko Rakcevic, rifat Rastoder, Cedomir Pejovic, Bozo Kovac, Paljoka Camaj, Zarija Lekic, and Slavko Perovic.

In the presence of about 5,000 Alliance of Reform Forces members and sympathizers, Ante Markovic stressed that inflation in November was brought down to under three percent. Alluding to the blockades barring his way on Sunday [2 Sunday], when he intended to return to the little town of Virpazar, Ante Markovic said that there still would be obstacles, but that nothing will stop him from fighting for a good Yugoslavia.

During the Reformists' electoral meeting in the Moraca sports center, to which very strident supporters of some other political parties had found their way, Dr. Ljubisa Stankovic said that the Reformists did not take part in the "federation versus conferation" verbal clashes because, he stressed, it is clear where these clashes are leading. According to Stankovic, the program of the Alliance of Reform Forces is criticized and insulted during the electoral meetings of some parties in Montenegro. The Reformists, he said, do not do that. They work hard.

In several instances there was the danger that incidents might occur at the beginning of the electoral meeting when a group of people present began to chant "Ustashas, Ustashas." The "reply" from the hall was "Where are you now, Chetniks?"

Preliminary Bosnian Elections Results Released

LD0412153290 Belgrade TANJUG Domestic Service in Serbo-Croatian 1401 GMT 4 Dec 90

[Text] Sarajevo, 4 Dec (TANJUG)—The Democratic Action Party [Stranka Demokratske Akcije - SDA] has won the most—86 mandates—in both chambers of the future Assembly of Bosnia-Hercegovina. The Serbian Democratic Party [Srpska Demokratska Stranka - SDS] has won 70 seats and the HDZ [Croatian Democratic Community] 45 seats.

This was announced at today's press conference of the republican Electoral Commission when the official results of the first multiparty postwar elections in Bosnia-Hercegovina, held on 18 November, and in the second round on 2 December, were announced.

The electorate turn out at the polling stations was 77.4 percent. It was said that the results of the elections are still not final, since on 9 December the second round of the elections will be held in Banja Luka, and elections will be repeated in seven polling stations in Kupres, Teslic and Rogatica.

Social Democratic Union of Slovenia Established

LD0512072890 Belgrade TANJUG in English 2335 GMT 4 Dec 90

[Text] Ljubljana, 4 Dec (TANJUG)—A left-oriented party—The Social Democratic Union of Slovenia—was founded in Ljubljana today. Noting that Slovenes have the right to their own state, Yugoslav Deputy Prime Minister Zivko Pregl, one of the founders of the party, said at the founding assembly that the debate on the relationship between Slovenia and Yugoslavia and the plebiscite on Slovenia's independence were imposed by the parties of the ruling coalition Demos [United Opposition].

Pregl believes that the plebiscite should be held on the basis of detailed analyses for and against it and that processes in Yugoslavia, after multi-party elections are held in other republics, should be respected.

The founders of the union said that the party was founded because existing parties in Slovenia are mainly dealing with the past and great democratic energy is being lost due to the slowness and ineffectiveness of the republican leadership's policy. Pregl stressed that the party is not a "Trojan horse" of the Alliance of Reformist Forces of Yugoslavia, whose leader is federal Prime Minister Ante Markovic.

Slovene, Croat Officials on 'Coordinated' Views

AU0412194090 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Dec 90

[Excerpts] A delegation of the Croatian Assembly paid a visit to the Slovene Constitutional Commission today. The meeting was held behind closed doors, but the participants held a news conference following the meeting at which they said that they talked about new constitutions of Slovenia and Croatia, the Slovene plebiscite, and the interview granted by Veljko Kadijevic, federal secretary for national defense, recently. After the news conference, the republican Constitutional Commission examined the law on plebiscites. Here is a report by Janko Saradjen and Matjaz Albreht:

[Saradjen] Most journalists questions were answered by the presidents of the two parliaments, Dr. France Bucar and Dr. Zarko Domljan. They said that the views of the two republican leaderships have been coordinated concerning their new constitutions. Dr. Zarko Domljan added that the Slovene decision to hold the plebiscite is completely legitimate and that too much fuss about is being made elsewhere in Yugoslavia. He also said that interests and aims of Slovenia and Croatia are identical and that Croatia plans to attain independence through a new constitution and Slovenia will do so with the plebiscite. However, as we have learned, Croatia has not completely rejected the idea of a plebiscite either.

The two presidents have particularly warned about the events and pressures that have been following the constitutional and democratic transformation of the two republics. Most questions asked by journalists concerned that topic.

Dr. Bucar and Dr. Domljan harshly condemned the recent statement by Defense Minister Veljko Kadijevic and said that in any democratic society his views would represent a sufficient reason for his resignation or dismissal.

The two republics are not going to demand this of Markovic's government, but would demand that it dissociate itself from Veljko Kadijevic's statement. However, the Croatian delegation has come out with the suggestion that Slovenia's and Croatia's support for some of the government's reforms should depend on the federal government's stands on that problem. The two sides agreed to support Markovic's reform which concerns the democratization of life in Yugoslavia, but the government should above all take over the role of a guarantor of the solution to the crisis in the state. However, neither Slovenia nor Croatia would grant a carte blanche to the federal government to regulate the situation in Yugoslavia.

The two delegations also agreed that they will coordinate actions and subsequent moves about attaining their independence, the process of which any step may have some far-reaching consequences. It was said for the first time today that Croatia and Slovenia may still be saving their skins together.

Dr. Zarko Domljan also said that the first visit of the Croatian delegation to the Slovene Assembly was useful.

[Albreht] At the session of the Constitutional Commission, we were acquainted with the agreement of the Assembly political parties and deputies' groups on their joint appearance at the plebiscite which they finally formulated yesterday afternoon. [passage omitted]

On the basis of this agreement, the Constitutional Commission tried to formulate the proposal of the law on plebiscite. Although the political parties said in the agreement that for the plebiscite to be successful, a majority of the electorate needs to vote in favor, the Constitutional Commission adopted a different proposal: The decision that the Republic of Slovenia may become autonomous and independent is adopted if the majority of the electorate turns out and the majority of those who turn out decide in favor—therefore, a relative majority.

The opposition, which was outvoted, has already announced an amendment to that item. Finally, we have learned that the parties had agreed that the plebiscite should be held on 30 December. A proposal on this will be formulated tomorrow by the Presidency and the Executive Council of the Republic of Slovenia. Therefore, we may expect the assembly chambers to adopt the law on plebiscite on their session on 6 December.

Croatian TU Attacks Government, Announces Strike

LD0512093590 Belgrade TANJUG in English 2322 GMT 4 Dec 90

[Text] Zagreb, 4 Dec (TANJUG)—The Federation of the Independent Trade Unions of the Yugoslav Republic of Croatia today condemned the republican government for its refusal to negotiate on the problems of metal and textile workers and announced a general strike in these industrial branches for tomorrow and the day after.

In an open letter to the republican government, the Independent Trade Union Federation rejects the government's assessment that the strike has political overtones. The letter specifies that the strike has been motivated by a desire to resolve the workers' socio-economic problems.

The letter futher condemns the republican government for denying legitimacy to the trade union federation and for regarding the recently founded sponsoring committee of the Croatian trade union organization as the sole legitimate representative of workers' interests.

The Party of Democratic Changes (former Communists) also today attacked the republican government for 'making the strike appear as an abuse and arbitrarily deciding who represents the interests of the workers'.

Croat Presidency Says Army Overstepped Bounds

Denounces Kadijevic Remarks

LD0512101290

[Editorial Report] Belgrade TANJUG Domestic Service in Serbo-Croatian at 1908 GMT on 4 December carries a Zagreb datelined report on the 4 December session of the Croatian Presidency.

At its session the Croatian Presidency considered and approved in general the draft text on economic development, entitled "The Strategy for the Development of the Croatian Republic."

"The Presidency discussed a statement by the federal secretary for national defense, Veljko Kadijevic, carried by the weekly, 'DANAS.' It concluded that this is an unprecedented instance of the JNA [Yugoslav People's Army] overstepping its powers in a drive to impose itself as the supreme arbiter of the constitutional crisis in Yugoslavia. This is in contradiction with both the decision of the federal government on the necessity to depoliticize the federal administration, including the armed forces, and the constitutional enshrined powers of the SFRY Presidency in its capacity of supreme commander of the JNA.

"It was also stressed that republican authorities will decide the fate of territorial defense units.

"Kadijevic's assessment that the system of territorial defense is tantamount to 'treachery', was highlighted as an example of the undoing of Tito's constitutionally defined conception of all people's defense based on the notion of the armed people organized within federal units. The Presidency decided to enlarge the list of demands regarding depoliticization of the JNA—which was forwarded to the Yugoslav Presidency—with another demand: that the SFRY Presidency discusses Veljko Kadijevic's political responsibility for the statement made outside the scope of his competence. It will also demand that the SFRY Presidency examine whether to revoke special powers bestowed upon the federal secretary for national defense by an SFRY Presidency decree in 1983. The demand to make public its stand about the newly arisen situation will be sent to the federal government in respect to its competence."

Calls for Kadijevic's Replacement

LD0512111890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1029 GMT 5 Dec 90

[Text] Zagreb, 5 Dec (TANJUG)—The Croatian Government has today concluded that Federal Secretary for National Defense Army General Veljko Kadijevic should bear political responsibility for his statements published in the weekly DANAS. The government has sent a concrete demand to the Federal Executive Council and the SFRY Assembly to initiate the replacement of General Kadijevic as national defense secretary.

An explanation says "General Kadijevic unprecedently overstepped his powers as federal secretary and thus usurped the powers of the SFRY Presidency as the supreme commander of the Yugoslav People's Army [JNA], because with his statements he imposed the JNA as a supreme judge of the constitutional crisis in Yugoslavia, threatened with use of force and from that position assessed democratic processes in the country. [no closing quote as received]

A discussion at the Croatian government session today pointed at the rallying and reemerging of dogmatic forces in the country which wish to stop democratic processes by force.

Papers Reaction to Kadijevic's Interview Noted

LD0412142790 Belgrade TANJUG in English 1202 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—The latest interview of Yugoslav national defense secretary, Army General Veljko Kadijevic, given to military-political commentator Miroslav Lazanski and published on December 2, is the topic of differing commentaries in the Yugoslav press today.

The Belgrade VECERNJE NOVOSTI feels that Gen. Kadijevic has called for peace in Yugoslavia and for Yugoslavia as a modern federation of equal nations and nationalities, and opposed party rivalry in the Yugoslav armed forces and the creation of parallel armies in the Yugoslav republics.

The daily VJESNIK of Zagreb, capital of Croatia, however, writes that Gen. Kadijevic's interview means that "The Yugoslav Army leadership has sided with the forces which obstruct a peaceful transformation of Yugoslavia."

VJESNIK assesses that Gen. Kadijevic "rejects the very nature of democratic processes and democratization, itself," and writes that "Kadijevic's logic is objectively speaking contrary to the interests of European security and stability."

The daily OSLOBODJENJE of Sarajevo, capital of Bosnia-Hercegovina, compares [to] what Gen. Kadijevic had to say in the interview with the recent statements made about Yugoslavia by Italian Foreign Minister Gianni De Michelis. It sets out that Gen. Kadijevic "has one sole concern—how to preserve Yugoslavia, and De Michelis three—Italy, Europe and Yugoslavia."

OSLOBODJENJE writes that Gen. Kadijevic called for Yugoslavia as it is, or a slightly different one, and that De Michelis "mildly called for Yugoslavia as it is, and categorically for Yugoslavia, no matter what it will be like."

The daily VECER of Maribor, Slovenia, writes that the "purpose of the interview with Veljko Kadijevic was obvious—intimidation by means of arms," and that the interview was intended for the leaderships of the republics of Slovenia and Croatia and voters in the Republic of Serbia who will cast ballots in the first multi-party elections on (?December 9).

Markovic Holds News Conference on Reform Process

LD0412234190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1839 GMT 4 Dec 90

[Report on news conference by Federal Executive Council President Ante Markovic in Belgrade on 4 December]

[Text] Belgrade, 4 Dec (TANJUG)—An overwhelming majority of citizens of this country support reform. A possible referendum would confirm this. No political persuasion would dissuade people from supporting the reforms because the citizens, who were frequently left out in the cold by unfulfilled promises, now have a stable currency, a free and well supplied market. This was stressed by Federal Executive Council [FEC] President Ante Markovic at today's news conference.

Markovic answered numerous questions today, most of which referred to the recent interview given by Veljko Kadijevic, the federal secretary for national defense. Having mentioned that due to numerous duties, he had no time to read the interview, the FEC president has stated that Kadijevic felt obliged to say that current developments should be in line with reforms, so that changes can unfold in a peaceful manner. If a minister is not implementing government policies, then, of course, he or she would have to account for his or her actions. Such cases have not occured.

In this context Markovic noted that individual countries had their legal armies and police force and that no government tolerated the arming of individual groups. He cited Ireland and Spain as examples. Armed units not legally recognized must be dealt with as stipulated by the Constitution, Markovic explained.

Secession of any federal unit is not realistically possible, Markovic said, at least not in the near future. The FEC advocates an intensive search for solutions to prevent separation. If, however,it does happen, no single federal unit would be able to avoid the transitional period and would have to pay the price for its move. This price would be much higher than if we sit down and try to find a common way out.

While implementing major reforms we must work on saving Yugoslavia, but a Yugoslavia that would be different from the present one. We have support from abroad for this Markovic said, adding that individual approaches abroad had not been accepted.

So far the FEC has had good communications with the SFRY Presidency, which has not changed its attitude to either the federal government or the reforms. The SFRY Presidency is a collective body and if one of its members has taken part in election campaigns he has spoken on his own behalf, Markovic remarked.

Since 1991 is the transition year from the present into a market and pluralistic society, the FEC holds that the adoption of amendments to the SFRY Constitution would provide basis for this. Markovic, thus, expressed hope that tasks regarding the amendments will be finished in a relatively short space of time and that majority of amendments will be adopted. Rejected amendments will not be considered as lost cases. They would be considered and adopted following multiparty elections.

Talks with republican representatives about the amendments are underway. So, following the latest talks, Croatia, which initially was prepared to endorse only five out of 25 proposed amendments, is now willing to endorse 20. Talks with Slovenia are underway. Talks with Serbia will commence next week.

Multiparty elections for the Federal Chamber of the Yugoslav Assembly will be held, as expected, by next summer at the latest, when a new government will also be elected.

A substantial part of the conference focused on economic issues. Markovic recalled that inflation was reduced to three percent in November (inflation was 8.1 percent in October) and that efforts will be made to reduce inflation to zero percent in the beginning of the next year. The main task is the restructuring of ownership. A new property structure is already emerging. From January to the end of October, some 40,000 small and medium scale businesses of all kinds were set up, employing more than 200,000 people.

It is expected that when tensions surrounding multiparty elections ease, foreign capital will be invested more rapidly. Until this summer, this process was going well, as is indicated by the 2,300 signed joint ventures contracts.

We seriously started with the process of recovering the economy. The same task will be carried out in the banking system. The first phase of the financial recovery of banks (linear recovery) [linearna snacija] should be finalized in December. The second phase (individual recovery) will last for some time but, Markovic is convinced, will be brought to a successful end.

Asked what he thought of the official request for the devaluation of the dinar the FEC president said that this request or any other official stand on economic policy measures for next year had not been received from any of the republican assemblies. If they are received, the FEC will express its view on them and pass its stance on to the Yugoslav Assembly. The FEC will support the convertibility of the dinar in the same way as other countries do, said Markovic, adding the observation that the external convertibility of our currency is also being discussed with the IMF.

Our country's foreign currency reserves are still high, although this year's drought has cost us about $1.7 billion. To all intents and purposes the crisis in the Persian Gulf has delayed our $800 million claim from Iraq, which was to be met with oil deliveries. Instead we are now buying the oil on the free market at higher prices, said Markovic, reprimanding foreign correspondents because they had not written more about Yugoslavia's consistent compliance with the UN resolution in connection with the crisis in the Persian Gulf and about the damage we suffered. Looking at it globally, this damage exceeds the $3 billion mark and there are many countries which do not evince adequate understanding for the difficulties caused by that.

Talks are under way with the EC about association and a new protocol whereby we could obtain about one billion ECU, primarily to build and modernize our transport system. The protocol is expected to be signed at the beginning of next year. An IMF team and a section of the World Bank team are in Yugoslavia. The issues concerning the next annual arrangement are being discussed with them to ensure the continuation of successful cooperation.

There are few governments in the world whose powers are as minimal as ours. If an analysis is made we shall be surprised how it was possible to attain great effects with so few instruments. Carrying out the reforms the FEC will try to give life to the powers it has throughout the country. Besides, there are no conflicts in the federal government and all key decisions are taken unanimously, remarked Markovic.

Asked what he thought of the League of Communists of Yugoslavia - Movement for Yugoslavia, the FEC president said that the party had to be considered as part and parcel of pluralism. As any other party this party too, in pluralism, if it fulfills the legal conditions, has the right to be registered and to contest the elections, and the electorate will show whether they accept it.

Answering the question whether the Army supports the government program, Markovic stressed that the Yugoslav National Army is not obliged to declare whether or not it supports it. The Armed Forces have a precisely established constitutional role. Whatever does not come under the jurisdiction of the Federal Secretariat of National Defense is within the jurisdiction of the government. Anything tied up with command is within the jurisdiction of the SFRY Presidency, explained Markovic, adding that the Army is only a segment of our society and moreover it is a military and not a political segment.

The journalists were interested to hear his views about the CIA analysis of the situation in Yugoslavia and Markovic said that that agency was often on the mark in its assessment, but that it had often been mistaken. There is no reason why it should not have made a mistake again because it had not perceived all the internal but only the external effects of the relations in our country, said the federal prime minister in conclusion.

Markovic also remarked that the great interest that the journalists were displaying in the news conference today was probably the result of the fact that some information media behave in a monopolistic fashion, failing to transmit his Assembly speech merely to "dissect" it afterward before the viewers in their respective republics, not giving one a chance to reply.

Jovic Speaks on Importance of Foreign Investment

AU0412185790 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 4 Dec 90

[Milorad Milosavljevic report on visit by SFRY Presidency President Borisav Jovic to Titovo Uzice, including talks with businessmen at the "Prvi Partizan" commune; date not given—recorded]

[Text] While touring the PT tool factory, [name indistinct], and the engine piston plant and the exhibition on the development of the "Prvi Partizan" metal factory, Dr. Borisav Jovic, president of the SFRY Presidency, was briefed on the current economic situation in the Titovo Uzice commune.

The situation is very serious: losses have reached 598 million dinars in nine months and have been accumulated mainly by the largest collectives like the Sveta Babic copper processing collective, "Prvi Partizan," and others. The situation is almost hopeless because the programmatic aims for this year cannot be achieved, according to Dr. Zoran Ujevic, president of the commune, who spoke about the commune's economy.

The difficulties that have amassed in production [words indistinct] and the effect on such a situation of ineffectual systemic measures were discussed by the other participants in the talks. Replying to questions and comments, the President of the SFRY Presidency said among other things:

[Begin Jovic recording] We have very clearly embarked on opening up our country to the world and (?encouraging) reforms that can be implemented in our economy so that it becomes its own economy open to competition on the domestic and foreign market. I have to say, and you yourselves can see, that this is a very difficult and painful process that we find ourselves in and we are now surmounting it.

What bothers us a lot us is the inability of our country to accept all foreign technology, foreign capital, and foreign partners. Foreigners would be willing and are interested financially to be more present on our market and to invest more, or invest more jointly, but they are to a very great extent bothered by our domestic situation.

If we are talking here about the possibility of our economy and country extricating themselves from the crisis, we must be [word indistinct]. Our economy and our country cannot extricate themselves from the economic crisis isolated from the world. The world wants to enter our country on condition that it is sure that what it invests here today it can take back tomorrow and do something with it. It will not go to Lebanon or Iraq to (?dream) about whether Yugoslavia will be Lebanon or Iraq. (?It wants to be sure). Therefore, this reason is quite significant even if there is a future greater level of insurances [words indistinct].

Our first task in the country from this viewpoint is to resolve our political problems in the country. We are intensively and persistently working on this and you yourselves can see how many difficulties there are. We should in some way help out so that this is done.

The second issue, which is an objective difficulty for us, is the division of the Yugoslav market. It is clear that industrial production or any other [word indistinct] production for the market [words indistinct] for a great number of industrial products. The Yugoslav market is small [words indistinct]. Competition is very great and any [word indistinct] of the market is catastrophic for any kind of production.

Markovic Urges Passage of Constitution Amendments

LD0412213890 Belgrade TANJUG in English 1853 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—It is essential that the amendments to the federal Constitution are passed by the end of the year because they "set the framework for a democratic and parliamentary procedure of further consultations on the economic and social reforms," Prime Minister Ante Markovic said here on Tuesday [4 December].

At a meeting attended by the president of the Federal Assembly and representatives of the republican assemblies and the federal government, Markovic again appealed to all republican assemblies to refrain from all unconstitutional decisions which would prevent the functioning of the state.

Earlier, the federal government had accused Serbia, Croatia and Slovenia of hampering reforms by adopting individual unconstitutional decisions and said it would prevent all violations of the federal Constitution by radical measures.

The meeting was told that the Yugoslav parliament would decide, most probably on December 21, on the 1991 economic policy measures proposed by the federal government.

Serbia, Slovenia and Croatia are dissatisfied with the current economic measures and attack the federal government with growing frequency. It is therefore expected with certainty that the adoption of the new package would continue into January.

Inflation Slows; Projections Said Unfulfilled

LD0412111990 Belgrade TANJUG in English 1029 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—The inflation rate for the month of November stood at three percent in Yugoslavia, as officially announced today.

The November figure is viewed as a sign of the slowing down of the inflation growth, in view of the fact that retail prices had gone up 8.1 percent in October, compared with the month of (?September).

The Yugoslav federal Government, which has succeeded in slashing galloping inflation through effective measures inaugurated early this year, has planned to keep the annual price growth of 20 percent.

It does not, however, seem that the federal government projections will be fulfilled, since prices went up by nearly 116 percent from January to November, according to the official figures.

The federal government sets out that the rise in inflation has been due to a new wave of increased spending, for which it hold responsible the republics which "undermine" the defined economic policy.

Secretariat Denies Albanian Party Registration

LD0412225690 Belgrade TANJUG Domestic Service in Serbo-Croatian 1522 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—The federal secretary for justice and administration decided today to refuse to register the Albanian Christian Democratic Party [Albanska Demohriscanska Stranka—ADHS]. According to the Federal Executive Council Secretariat for Information, the decision was reached in accordance with the law on association of citizens into associations and social and political organizations on the territory of the SFRY.

The decision states that the ADHS program orientations contradicts with the federal law on association of citizens and international conventions, because they proclaim the Albanian nationality a nation with the right to self-determination, including the right to secession.

Loncar Lauds Bush Initiative, Iraqi Response

LD0412213190 Belgrade TANJUG in English 1844 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—Yugoslav Federal Foreign Secretary Budimir Loncar said today that Yugoslavia applauds the initiative of United States President George Bush to open a dialogue with Iraq and the positive reply of Iraqi President Saddam Husayn, in the belief that a direct contact between officials of these two countries could enable a peaceful solution to the gulf crisis.

Loncar assessed that there is still room for a political solution to the gulf crisis, which had been fully advocated from its very beginning by the Movement of Non-Aligned Countries and Yugoslavia, as its chairman.

In this context, Loncar said that he had received a message from United States Secretary of State James Baker just after the United Nations Security Council adopted Resolution No. 678 last week. The Yugoslav foreign minister also said that, at that time, his special envoy was in Baghdad to present to Iraqi Foreign Minister Tariq 'Aziz a message which especially underscores the question of detaining foreign citizens in Iraq against their will.

Loncar indicated that non-aligned countries hope that the resolving of the gulf crisis would enable the resolving of the Middle East problems as well, including the Palestinian.

Stresses Nonaligned Role

LD0512005590 Belgrade TANJUG Domestic Service in Serbo-Croatian 1845 GMT 4 Dec 90

[Text] Belgrade, 4 Dec (TANJUG)—"Yugoslavia is following the present development of the situation in the gulf and the efforts made in the direction of devising a political solution to the crisis in that area with great attention. As the chairman of the Nonaligned Movement, she is also making an effort, through her own involvement, to make her own contribution to that end."

This was said to TANJUG in Belgrade today by Budimir Loncar, federal secretary of foreign affairs.

"I welcome the initiative by U.S. President George Bush to open a dialogue with Iraq, and the positive reply by Iraqi President Saddam Husayn," said Loncar.

He also expressed his expectation that the establishment of a direct U.S.-Iraq contact will open up the possibility of substantial progress in the direction of devising a peaceful solution to the gulf crisis.

The commitment to dialogue and talks, stressed Loncar, strengthens our conviction that scope still exists for a political solution to this problem, and this is what the Nonaligned Movement and Yugoslavia, as its chairman, have been striving for fully from its very beginning.

As chairman of the Nonaligned Movement, Yugoslavia will continue to be actively involved in a peaceful solution to the gulf crisis by political means on the basis of the consistent application of the existing of Security Council resolutions on this issue and of full compliance with the basic tenets of the UN Charter and of the principles of nonaligned policy, stressed Loncar.

Yugoslavia's involvement so far regarding the gulf crisis has gained widespread respect, both within the Nonaligned Movement and in the international community at large. In so doing, Yugoslavia has strived, along the lines of the implementation to the mandate entrusted to her by the Nonaligned Movement, to maintain the closest possible contact with all interested factors, including the Security Council permanent members.

In this regard and immediately on the adoption of Security Council Resolution 678, Loncar received a message from U.S. Secretary of State James Baker which confirmed the U.S. readiness for a dialogue and a political solution, stressing at the same time the constructive role of the Nonaligned Movement and its chairman.

Loncar also stressed that a visit by a special envoy to Baghdad took place last week. He forwarded to Iraqi Foreign Minister Tariq 'Aziz his message, in which the issue of the detention of foreign nationals in Iraq against their will was underlined, in particular.

On that occasion, the possibility was discussed of an activity by the Nonaligned Movement designed to make a contribution to the peaceful solution of the gulf crisis. It is our conviction that an international exchange of views on this issue is of mutual interest, said Loncar.

The federal secretary of foreign affairs stressed, in particular, that the Nonaligned Movement expected that the solution to the crisis situation in the gulf will open up fresh opportunities for the solution of the Middle East crisis, including the Palestinian problem, which could establish more favorable conditions for a peaceful, secure, and unhampered development of all the countries and peoples in those areas.

Reportage on Prime Minister's Visit to Sweden

WA0412190090

For reportage on the visit by Prime Minister Ante Markovic to Sweden, including reports on his talks with Swedish Prime Minister Ingvar Carlsson, please see the Sweden section of the 4 December West Europe DAILY REPORT and subsequent issues.